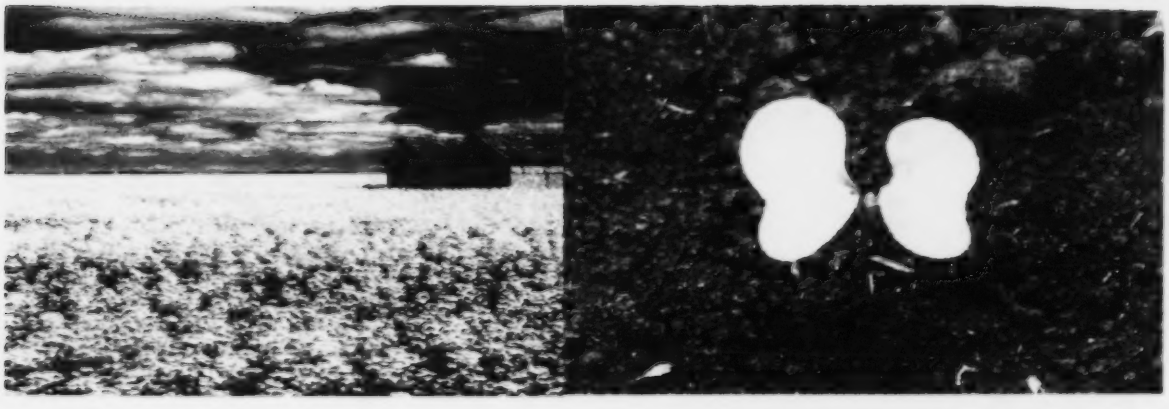
2012

Manitoba Grains & Oilseeds Industry Profiles



Manitoba

Building for the Future

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N/A = not available

Data sources: *Agriculture and Agri-Food Canada*
Canadian Grain Commission
Manitoba Agriculture, Food and Rural Initiatives
Statistics Canada

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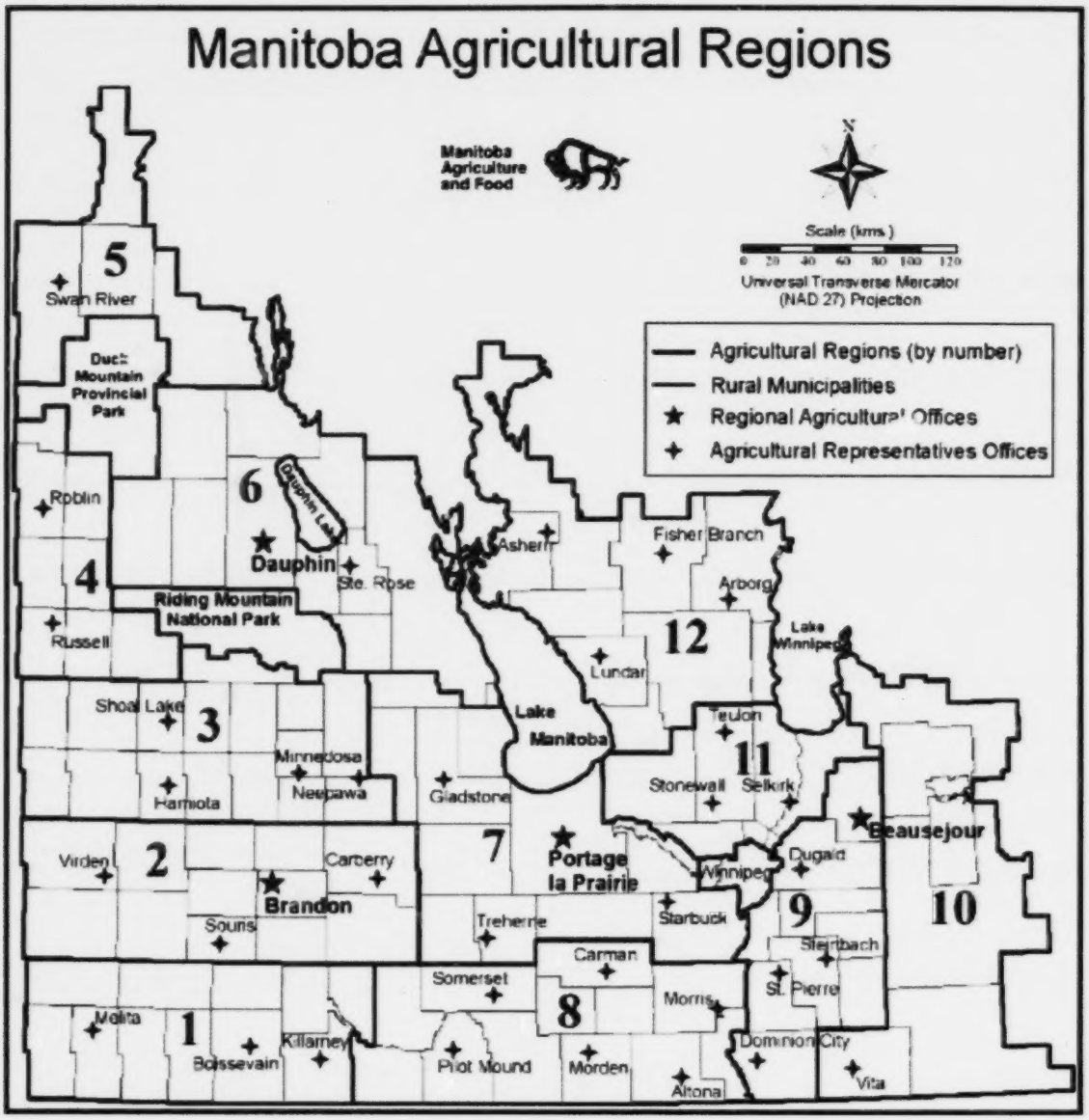


Administrative Region Name	Agricultural Region Numbers
Southwest	1, 2, 3
Northwest	4, 5, 6
Central	7, 8
Eastern/Interlake	9, 10, 11, 12

104-01654/

WHEAT SECTOR

WHEAT SECTOR PROFILE

Production:

The area seeded to wheat in Manitoba peaked in 1990 at 5.46 million acres, of which 5.45 million acres were harvested. The 1990 wheat production of 216.2 million bushels was also a record. Over the next five years, wheat plantings decreased in response to relatively low prices. Seeded and harvested areas rose to 4.23 million acres and 4.20 million acres respectively in 1996 after prices improved significantly in 1994/95. The harvested area fell to 3.15 million acres in 1999 following price declines from 1995/96 to 1998/99. The seeded area rose for the next few years to 3.95 million acres in 2001, but in 2002, a late spring and low prices dropped the seeded and harvested areas back to 3.4 million acres.

The total value of the Manitoba wheat crop was highest in 1985, at $757.8 million, but dropped to a twenty-year low of $373.0 million in 1999. In 2002, the value of wheat production increased by 6.7 percent from the year before to $521.0 million. Occupying the largest area of any annual crop in Manitoba, wheat was the most valuable crop in the province every year, except 1997, 1998, 1999 and 2002, when canola took the lead.

Production of wheat declined to 123.3 million bushels in 2002 from 126.1 million bushels in 2001. Manitoba contributed 20.7 percent of total Canadian wheat production in 2002, up from 16.7 percent in 1999, partly because of the western prairie drought.

Yields averaged 36.3 bushels per acre in 2002 compared to a 10-year average of 34.4 bushels per acre and 32.2 bushels per acre in 2001. The largest average yield on record was 41.4 bushels per acre in 1992.

An estimated 86.4 percent of Manitoba's 2002 wheat crop was Hard Red Spring wheat, 7.5 percent was Winter wheat, about 2.9 percent was Prairie Spring, about 0.3 percent was Extra Strong, 1.2 percent was Durum, only 0.2 percent was Soft White Spring wheat and 1.5 percent were other varieties.

The hot summer offset a late planting and harvesting of the 2002 crop. While fusarium was widespread, the downgrading was much less severe in 2002 than in 2001. The average protein content was about 15.1 percent for #1 Hard Red Spring wheat, similar to the previous year.

Average wheat prices rose from $2.85 per bushel in 1993 to a record $5.60 per bushel for the 1995 crop, but fell over the next four years to $3.20 per bushel in 1999. In 2001 and 2002, average wheat prices rose to $3.87 and $4.23 per bushel respectively.

Estimated total farm expenses for wheat production increased from $147.28 to $168.06 per acre from 1992 to 1996 but declined to $161.20 per acre in 1997. Expenses increased over the next two years, rose to $187.13 per acre in 2001, but fell to $175.70 in 2002. Estimated total farm expenses comprise operating, labour and fixed costs.

Marketing:

Annual cash receipts from the sector showed an upswing from $426.8 million in 1992 to a record $675.8 million in 1996. Farm cash receipts for wheat went up by 7.5 percent from $586.3 million in 2001 to $630.2 million in 2002. Manitoba's contribution to Canadian wheat receipts rose from 16.9 percent in 2001 to 19.4 percent in 2002.

Wheat marketings increased from 104.0 million bushels in 1995/96 to 138.3 million

bushels in 1996/97, fell to 101.1 million bushels in 1998/99, rose to 138.6 million bushels in 2000/01, but fell again to 110.2 million bushels in 2002/03. Wheat carryover increased annually from 2.0 million bushels in 1997/98 to 9.2 million bushels at the end of the 2000/2001 crop year, but fell to 2.0 million bushels at the end of 2002/2003.

In 2002, there were seven classes of Canadian wheat offered on the world market. *Canada Western Red Spring (CWRS) Wheat* is a hard wheat with superior milling and baking quality offered at various guaranteed levels of protein content, while *Canada Western Red Winter (CWRW) Wheat* is also a hard wheat with excellent milling quality used for products such as French bread, flat bread and steamed bread and certain types of noodles. *Canada Western Amber Durum (CWAD) Wheat* produces a high yield of semolina with excellent pasta-making quality. *Canada Prairie Spring Red (CPSR) Wheat* is used for a wide range of products, such as hearth breads, flat breads, steamed breads and noodles. *Canada Prairie Spring White (CPSW) Wheat*, a medium strength wheat, can be used for flat breads, noodles and chapattis. *Canada Western Extra Strong (CWES) Wheat* has extra gluten suitable for blending purposes and for the production of hearth and pan breads. *Canada Western Soft White Spring (CWSWS) Wheat* is a soft wheat of medium-to-low protein content used for flat breads, noodles, steamed breads, chapattis, cookies, cakes and pastry.

Processing:

Wheat is processed into flour, cereal food and feed, pasta, bread and bakery products.

Manitoba has three flour mills, A.D.M, Milling Co. in Winnipeg, Harrison Milling and Grain Co. Ltd. in Holmfield and Prairie Flour Mills, constructed at Elie in 1997, the first new mill in the province for many years. These three mills and Pizzey's Milling and Baking Co. in Angusville as well as numerous bakeries employed over 1,000 people to produce an estimated $50 million worth of flour and cereals and $80 million of bread and bakery products. Local processors of fresh, frozen or dry pasta include Alfonso's Food Products Ltd. and Old Fashioned Noodle Products in Winnipeg and Ackron Egg Farms, Ltd. in Steinbach.

Grain is used to produce ethanol at a plant in Minnedosa, which provides mash for feed as distiller's dry grain by-product. The Dow BioProducts Ltd. straw particle-board plant at Elie (purchased from Isobord Enterprises in 2001) normally utilises about 205,000 tons of straw per year from the surrounding area. Straw purchases varied from 110,000 tons in 2000 to 200,000 tons in 2001 to less than 80,000 tons in 2002. The plant employs about 100 people. The relatively new Erosion Control Blanket (ECB) plant at Riverton uses wheat straw, in addition to flax, hemp and coconut.

Trade:

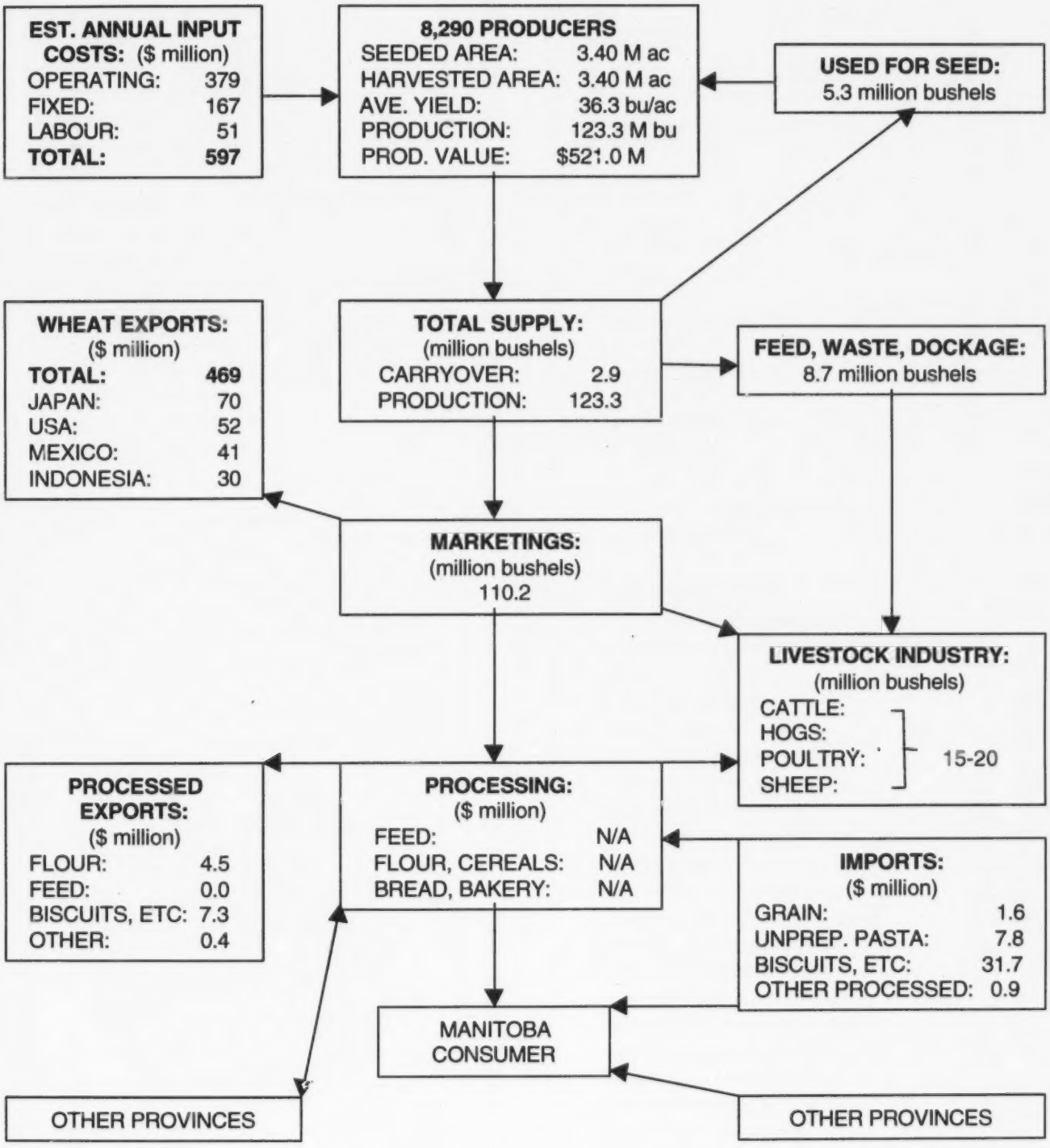
Manitoba wheat exports, sold to 67 other countries mostly in the unprocessed form, decreased from $702.6 million in 2001 to $480.7 million in 2002. Approximately 41 percent of the province's wheat exports in 2002 were shipped to Japan, United States, Indonesia and Mexico.

Imports of processed wheat products, such as unprepared pasta and baked goods, were valued at $32.2 million in 2001, increasing to $41.9 million in 2002.

WHEAT AND WHEAT PRODUCTS SECTOR

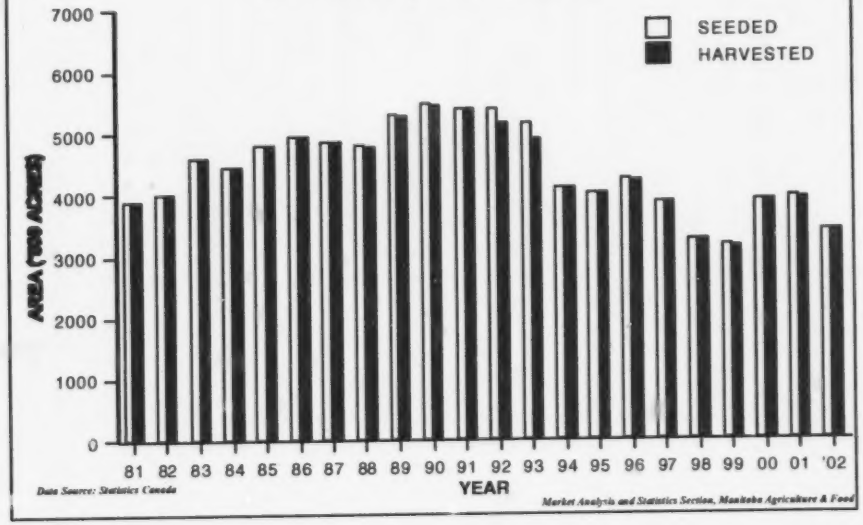
	1999[R]	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	9,800	9,500	9,447	8,290	88
CROP PRODUCTION:					
Seeded Area ('000 acres):	3,175	3,905	3,950	3,400	86
% of Canada	12.3	14.2	14.6	12.9	
Harvested Area ('000 acres):	3,145	3,885	3,910	3,400	87
Yield/acre (bushels):	36.9	40.3	32.2	36.3	113
Production (million bushels):	116.1	156.8	126.1	123.3	98
% of Canada	11.8	15.9	16.7	21.4	
Average Price ($/bu):	3.20	3.26	3.87	4.23	109
VALUE OF PRODUCTION ($ million):	373.0	511.7	488.1	521.0	107
ESTIMATED TOTAL EXPENSES ($/acre):	172.64	168.74	187.13	175.7	94
CASH RECEIPTS ($ million):	493.9	447.3	586.3	630.2	107
% of Canada	15.4	14.6	16.9	19.4	
EST. QUALITY (% protein content):	**99/2000**	**2000/01**	**2001/02**	**2002/03**	
All CW Red Spring (CWRS):	14.2	14.2	15.4	14.7	
1CWRS	14.1	14.1	15.1	15.1	
2CWRS	14.2	14.3	15.4	14.9	
3CWRS	14.2	14.1	15.7	14.6	
CW Feed	N/A	N/A	N/A	N/A	
All CW Extra Strong (CWES)	N/A	N/A	N/A	N/A	
All Canada Prairie Spring Red (CPS)	N/A	N/A	N/A	N/A	
All CW Red Winter Wheat (CWRW)	N/A	N/A	N/A	N/A	
All CW Amber Durum (CWAD)	N/A	N/A	N/A	N/A	
CROP DISPOSITION (million bu):	119.4	160.1	135.2	126.2	93
Marketings	103.4	138.6	108.9	110.2	101
Seed Requirements	6.0	6.1	5.3	5.3	100
Feed, Waste & Dockage	6.6	6.2	18.1	8.7	48
Carryover, July 31	3.3	9.2	2.9	2.0	69
PROCESSING ($ million):					
Flour, Cereals, etc	N/A	N/A	N/A	N/A	
Bread, Bakery products	N/A	N/A	N/A	N/A	
EXPORTS ($ million):	464.0	516.4	702.6	480.7	68
Unprocessed	458.9	511.0	691.4	468.5	68
Processed	5.1	5.4	11.2	12.2	109
IMPORTS ($ million):	36.1	32.3	32.2	41.9	130
Unprocessed	0.011	0.28	1.08	1.61	149
Processed	36.1	32.0	31.1	40.3	130

WHEAT INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

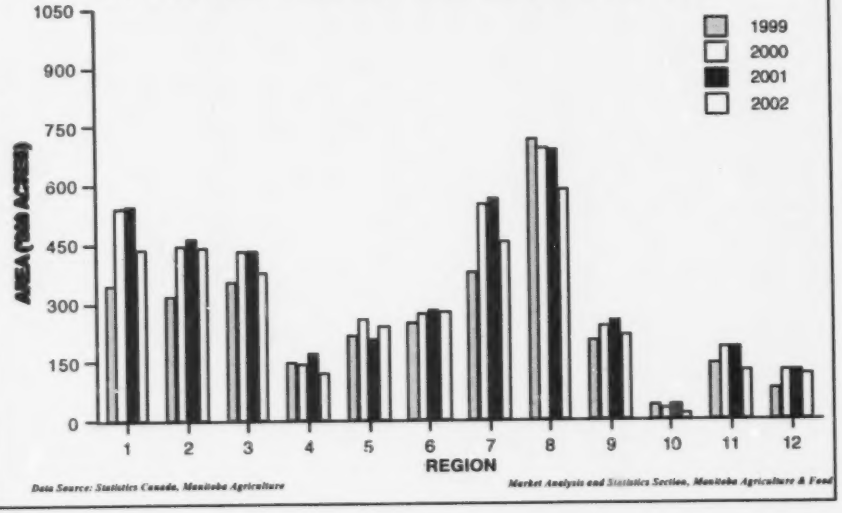
SEEDED & HARVESTED AREA OF WHEAT BY YEAR, 1981- 2002



Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food

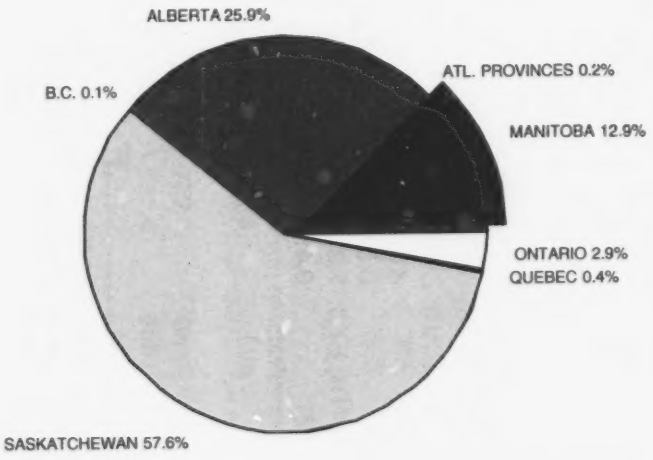
SEEDED AREA OF WHEAT BY AGRICULTURAL REGION, 1999- 2002



Data Source: Statistics Canada, Manitoba Agriculture

Market Analysis and Statistics Section, Manitoba Agriculture & Food

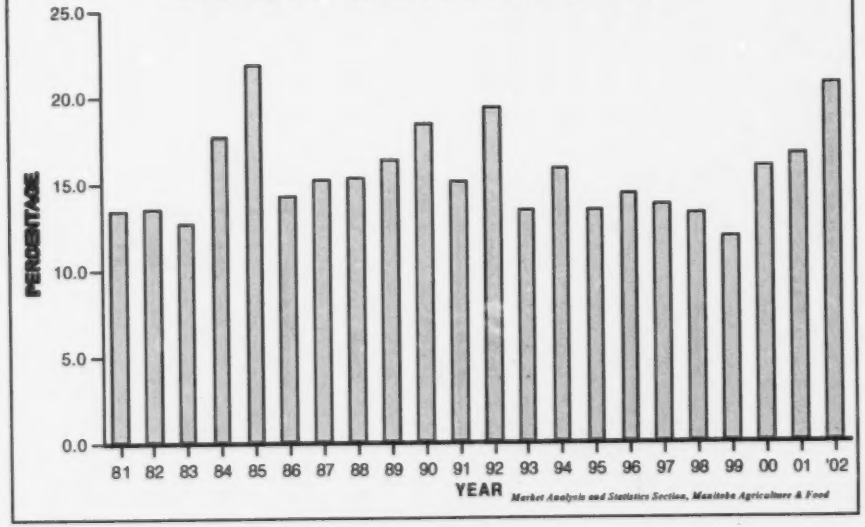
AREA OF WHEAT SEEDED BY PROVINCE, 2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food

WHEAT PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002



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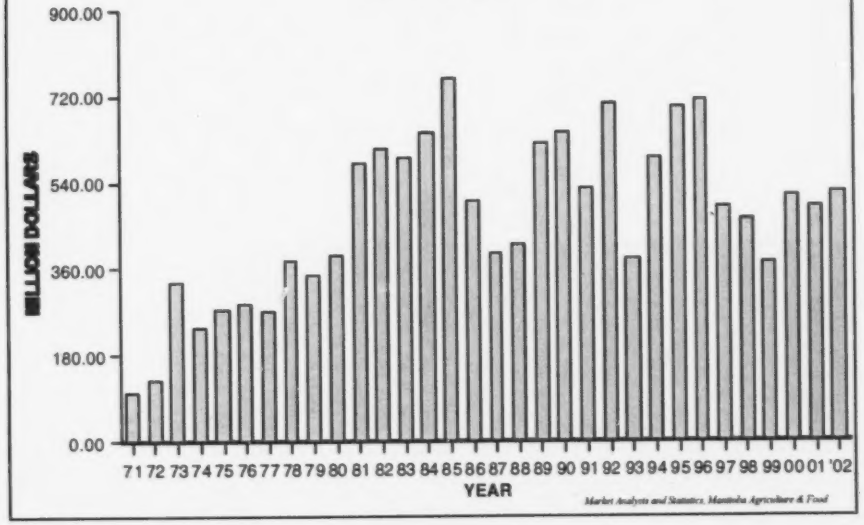
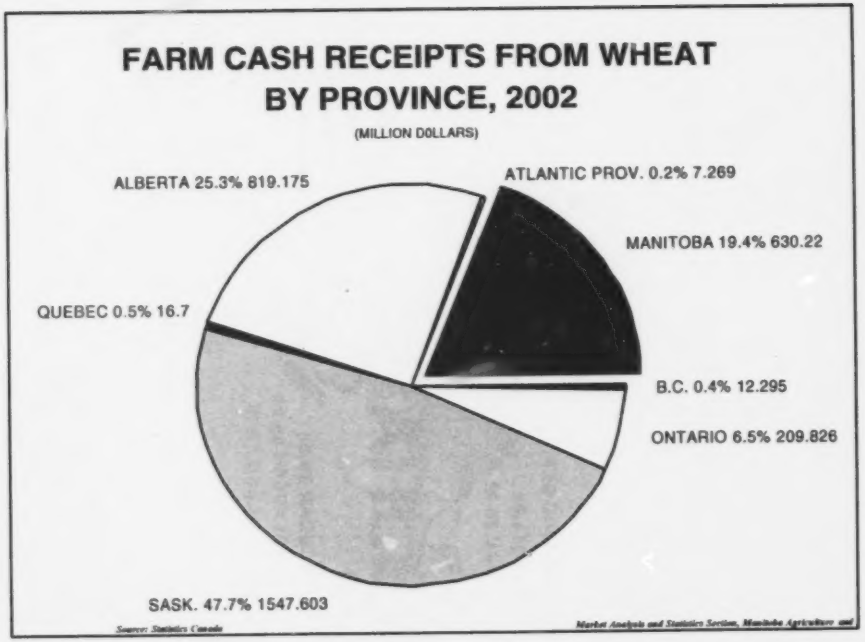
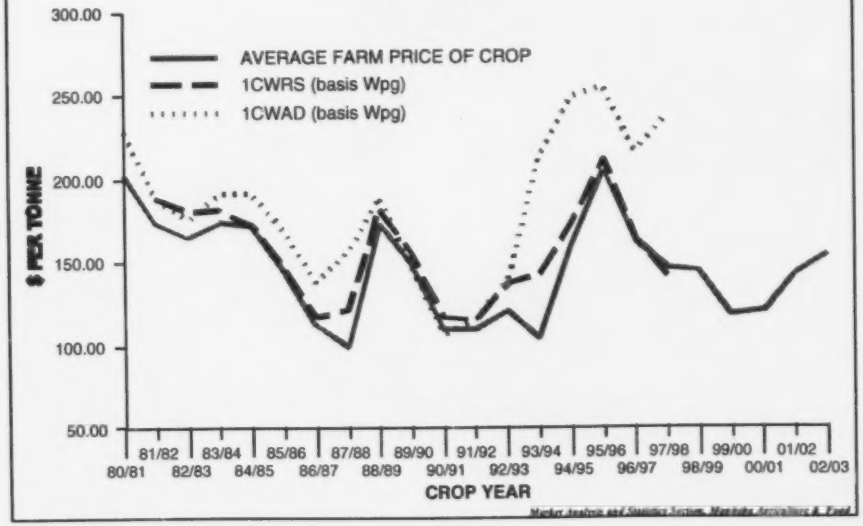
FARM VALUE OF WHEAT PRODUCTION
1971- 2002



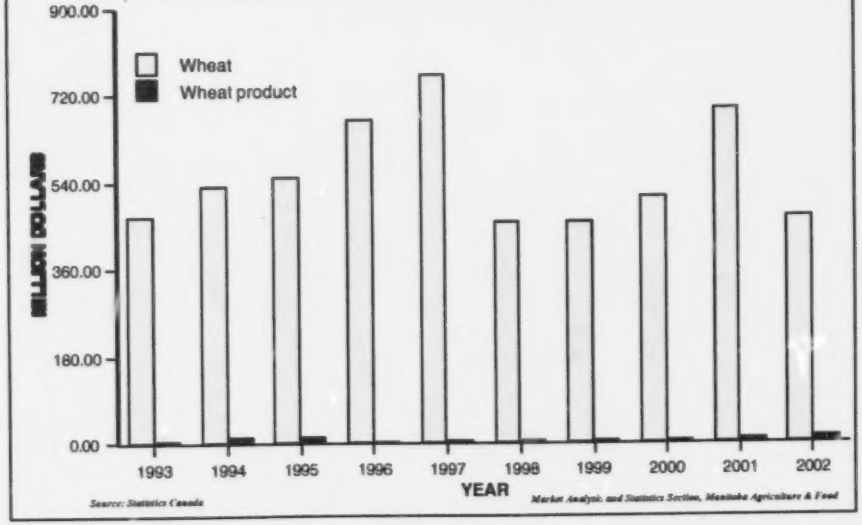
FARM CASH RECEIPTS FROM WHEAT
BY PROVINCE, 2002

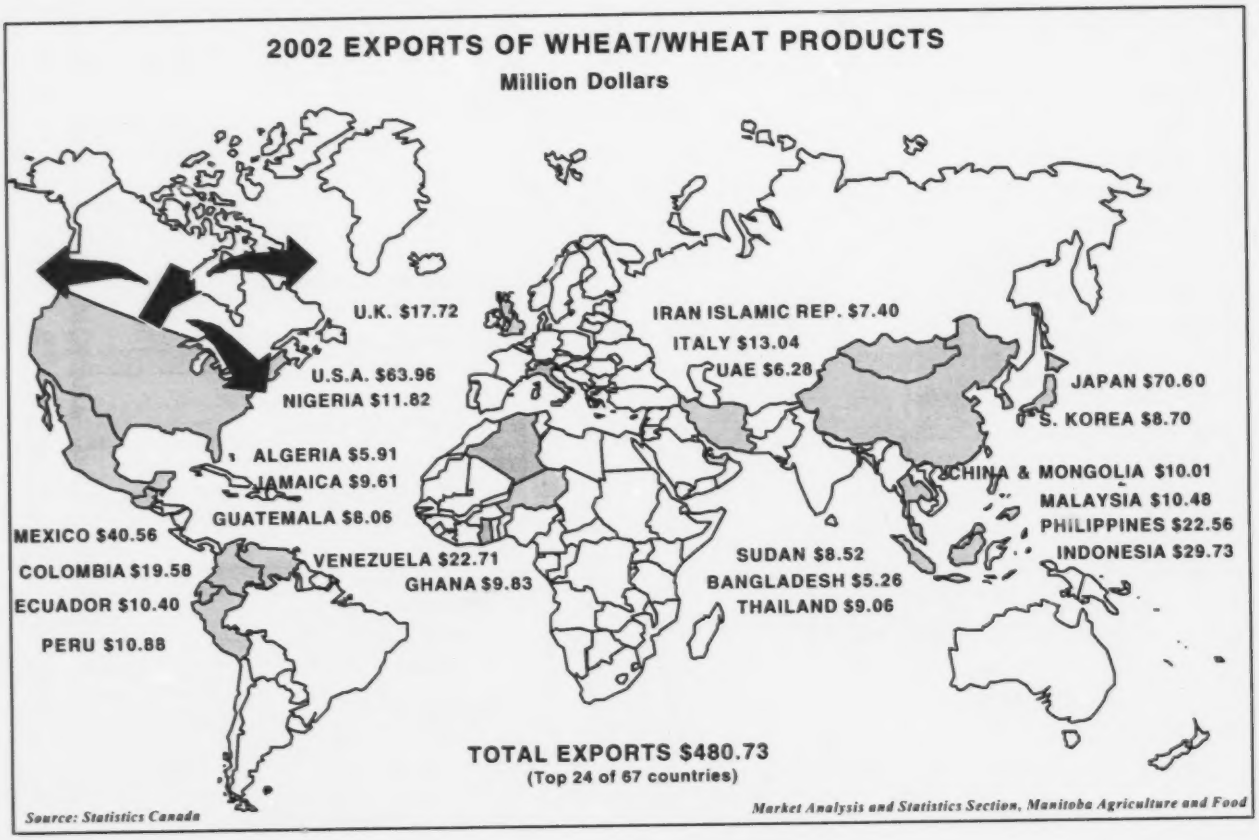


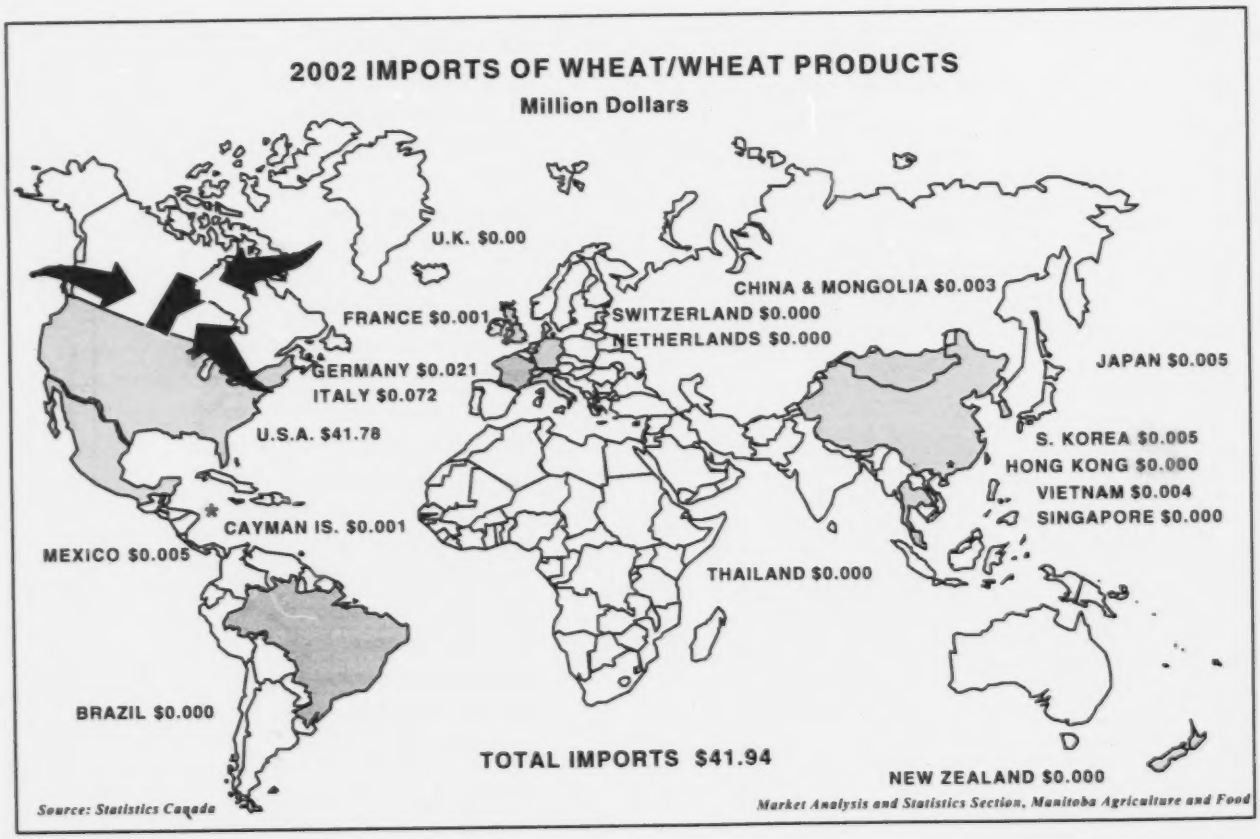
WHEAT PRICES
1981- 2002



MANITOBA WHEAT AND WHEAT PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993- 2002




2002 EXPORTS OF WHEAT/WHEAT PRODUCTS
Million Dollars
U.K. $17.72
U.S.A. $63.96
NIGERIA $11.82
ALGERIA $5.91
JAMAICA $9.61
GUATEMALA $8.06
MEXICO $40.56
COLOMBIA $19.58
ECUADOR $10.40
PERU $10.88
VENEZUELA $22.71
GHANA $9.83
IRAN ISLAMIC REP. $7.40
ITALY $13.04
UAE $6.28
SUDAN $8.52
BANGLADESH $5.26
THAILAND $9.06
JAPAN $70.60
S. KOREA $8.70
CHINA & MONGOLIA $10.01
MALAYSIA $10.48
PHILIPPINES $22.56
INDONESIA $29.73
TOTAL EXPORTS $480.73
(Top 24 of 67 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF WHEAT/WHEAT PRODUCTS
Million Dollars
U.K. $0.00
FRANCE $0.001
GERMANY $0.021
ITALY $0.072
U.S.A. $41.78
CAYMAN IS. $0.001
MEXICO $0.005
BRAZIL $0.000
CHINA & MONGOLIA $0.003
SWITZERLAND $0.000
NETHERLANDS $0.000
THAILAND $0.000
JAPAN $0.005
S. KOREA $0.005
HONG KONG $0.000
VIETNAM $0.004
SINGAPORE $0.000
NEW ZEALAND $0.000
TOTAL IMPORTS $41.94
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

BARLEY SECTOR

BARLEY SECTOR PROFILE

Production:

The area seeded to barley in Manitoba peaked in 1981 at 2.4 million acres, of which 2.35 million acres were harvested. Barley production reached a record level of 116 million bushels in 1985, when the average yield was the second highest on record at 62.7 bushels per acre. The area planted to barley decreased in the late 1980s and 1990s to a 32-year low of 1.06 million acres in 1999. Over the past three years, the area seeded to barley decreased by 12 percent from 1.25 million acres in 2000 to 1.2 million acres in 2001 and to 1.1 million acres in 2002.

The area of barley harvested in 2002 was 1.0 million acres, down from 1.10 million acres in 2001. About 54.0 million bushels were produced in 2002, a decline of 4.8 percent from the year before, but 53.5 percent below the record 1985 level. Manitoba contributed 15.7 percent of total Canadian barley production in 2002, up from 11.3 percent in 2001.

Yields averaged 54.0 bushels per acre in 2002, an increase of 4.9 percent from the 2001 yield of 51.5 bushels per acre and 4.8 percent below the 10-year average of 56.7 bushels per acre. The largest average yield on record was 68.6 bushels per acre in 1992.

Average barley prices, which ranged from $1.75 to $3.55 per bushel in the past ten years, were record high in 1995. Average prices for the 2002 barley crop rose 21.8 percent to $3.46 per bushel from $2.84 per bushel in 2001.

The total value of the Manitoba barley crop was highest in 1981, at $277.3 million, but dropped to a 22-year low of $99.3 million in 1993. Higher prices increased the value of the crop in 1994 and 1995. Prices rose in 2001/02 and 2002/03, increasing the value of the barley crop by over 16 percent from $161.0 million in 2001 to $187.0 million in 2002.

Estimated total farm expenses for barley production over the past decade have risen from $147.93 per acre in 1993 to $169.89 per acre in 2001. However, farm expenses fell to $160.71 per acre in 2002. Total expenses include operating, labour and fixed costs.

Marketing:

Annual cash receipts from barley sales fluctuated over the past decade, from a high of $94.9 million in 1996 to a low of $38.3 million in 1999. Barley receipts rose to $93.6 million in 2001, but dropped to $84.9 million in 2002. Higher than in earlier years because of the western drought, Manitoba's contribution to Canadian barley receipts rose to 15.5 percent in 2002 up from 7.7 percent in 2000 and 12.8 percent in 2001.

Much of the 2002 crop was feed quality and fed on farm or marketed "off-Board". Manitoba's Designated or malting barley selections were high for the third crop year, at approximately 14 million bushels, down slightly from the record 15.8 million bushels in 2001/02 (August-July). In recent years, Manitoba Designated barley has comprised almost all of the barley marketed to the Canadian Wheat Board

Barley marketings through commercial channels decreased to 19.0 million bushels in 2002/2003, down from 31.8 million in 2001/02 and 36.4 million in 2000/01. Barley carryover fell from 11.5 million bushels in 2000/01 to 6.9 million bushels in 2001/02 and 2002/03. In 2002, about 19 percent of the barley crop was planted to higher-yielding feed varieties, with about 2 percent to hulless types (2- and 6-Row), about 37 percent to 2-Row and 43 percent

to 6-Row barley. The area of 2-Row types has grown from about a 10 percent share in 1998 and 1999. The 6-Row blue aleurone types are mainly for the domestic and U.S. markets. Hulless barley has superior, lower fibre, feed qualities. Manitoba farmers deliver some feed barley to Saskatchewan and Alberta, while grain and feed companies import barley from Saskatchewan into Manitoba.

Processing:

About 50-60 percent of the barley produced in Manitoba is used for animal feed. About 26 percent of Manitoba's 2002 barley crop was selected for use by either the domestic or foreign food and beverage industries. Some of the selected or designated barley is processed into food, such as pot or pearl barley, the remainder being used for malt. Manitoba has one major maltster, Dominion Malting Ltd. Malt is either used by the province's breweries, such as Molson Canada and Fort Garry Brewing Co. Ltd., or exported.

Trade:

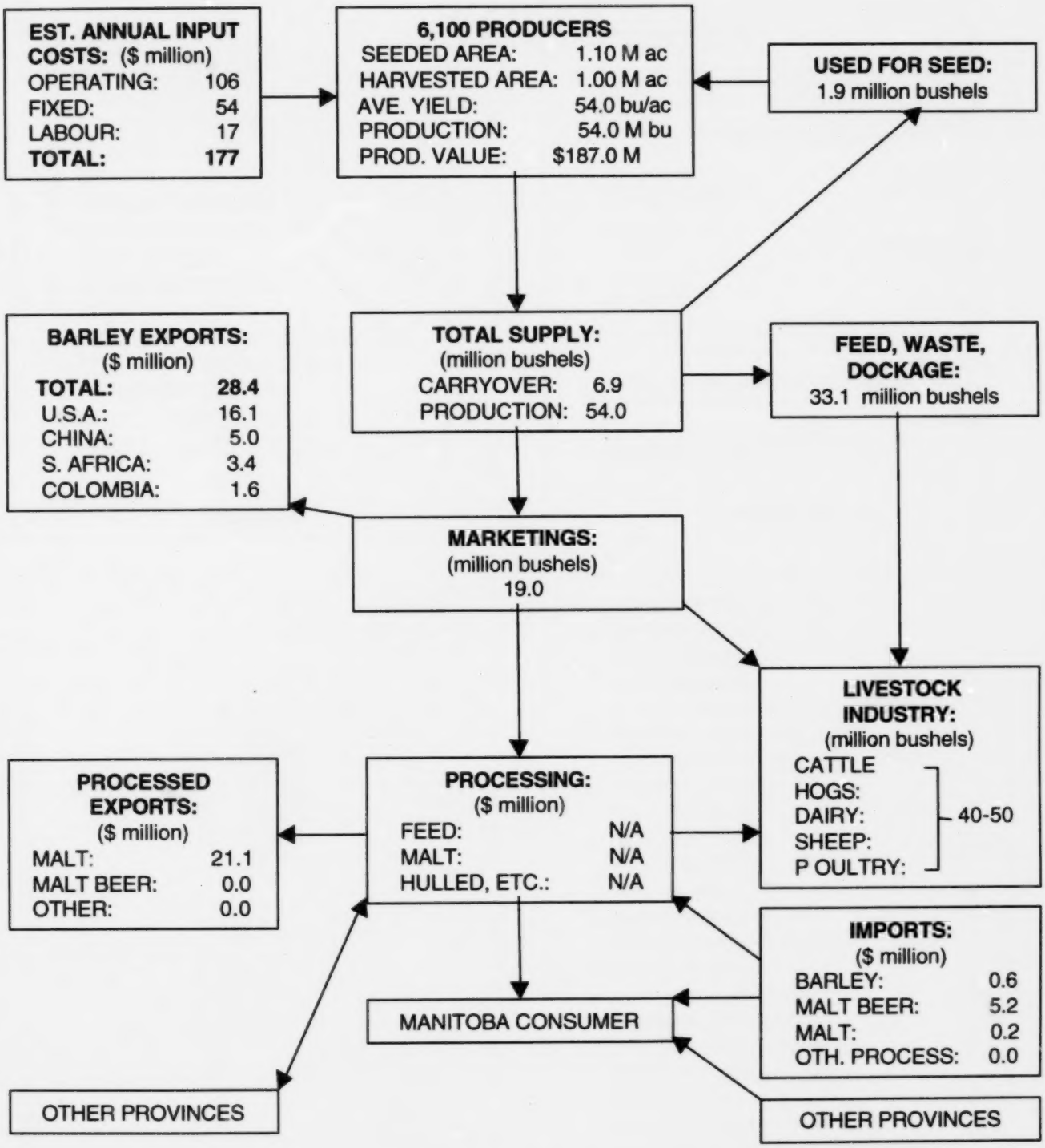
Manitoba barley and product exports to other countries were $49.5 million in 2002, only 57.7 percent of 2001. Unprocessed barley dropped from $57.7 million in 2001 to $28.4 million in 2002. About 92 percent of the province's unprocessed barley exports were shipped to the United States, China, South Africa and Colombia in 2002 with smaller amounts going to 13 other countries. About $21.1 million of Manitoba-produced malt and malt extract were exported in 2002.

About $5.9 million of barley and malt were imported into Manitoba in 2002, down slightly from a year earlier.

BARLEY AND BARLEY PRODUCTS SECTOR

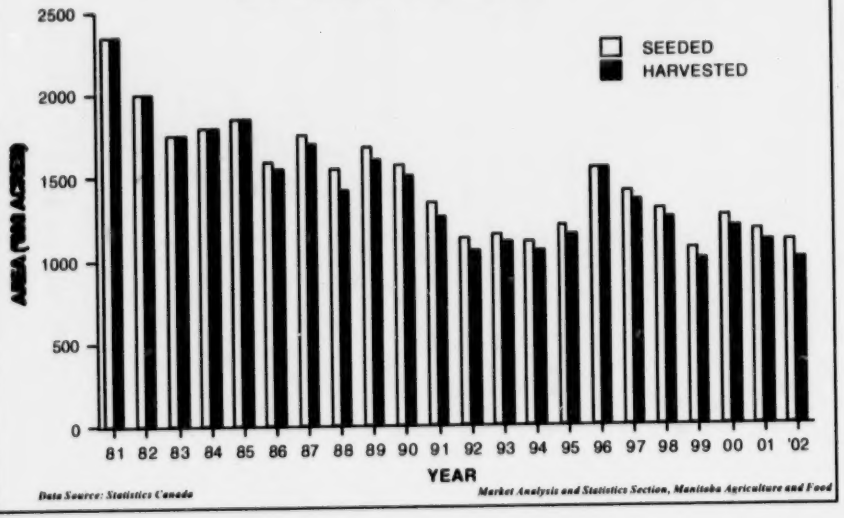
	1999	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	7,000	7,000	6,066	6,100	101
CROP PRODUCTION:					
Seeded Area('000 acres):	1,060	1,250	1,170	1,100	94
% of Canada	9.7	10.0	10.0	8.6	
Harvested Area ('000 acres):	1,000	1,190	1,100	1,000	91
Yield/acre (bushels)	55.8	62.6	51.5	54.0	105
Production (million bu):	55.8	74.5	56.7	54.0	95
% of Canada	9.2	12.0	11.3	15.7	
Average Price ($/bu):	1.95	2.36	2.84	3.46	122
VALUE OF PRODUCTION ($ million):	108.8	175.9	160.96	187.0	116
EST. TOTAL EXPENSES ($/acre):	166.30	162.53	169.89	160.71	95
CASH RECEIPTS ($ million):	38.3	45.1	93.6	84.9	91
% of Canada	7.6	7.7	12.8	15.5	
PLANTING DISTRIBUTION (%):	99/2000	2000/01	2001/02	2002/03	
Feed/Forage	24.8	18.9	16.6	18.7	
Hulless (2- and 6-Row)	8.5	5.8	4.3	2.1	
2-Row White	13.7	17.3	29.0	37.0	
6-Row White	1.2	1.6	2.0	1.5	
6-Row Blue	51.8	56.4	48.1	40.7	
CROP DISPOSITION (million bu):	67.3	82.8	68.2	60.9	89
Marketings: All Barley	18.8	36.4	31.8	19.0	60
Feed Barley	14.6	22.1	16.0	5.0	31
Designated Barley	4.2	14.3	15.8	14.0	89
Seed Requirements	2.1	2.0	1.9	1.9	100
Feed, Waste & Dockage	38.0	32.9	27.6	33.1	120
Carryover, July 31	8.3	11.5	6.9	6.9	100
EXPORTS ($ million):	43.8	47.6	85.8	49.5	58
Unprocessed	27.1	24.1	57.7	28.4	49
Processed	16.7	23.5	28.1	21.1	75
IMPORTS ($ million):	3.0	3.4	6.1	5.9	97
Unprocessed	0.2	0.3	0.4	0.6	131
Processed	2.8	3.1	5.7	5.3	93

BARLEY INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

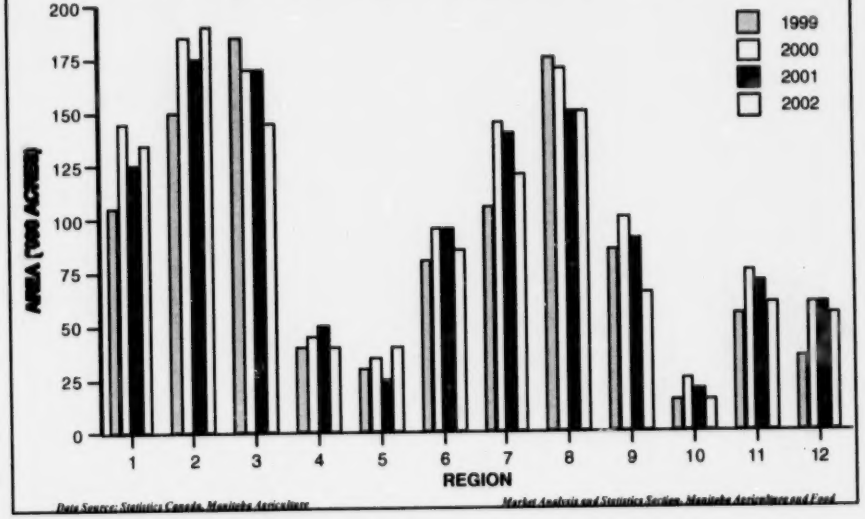
SEEDED & HARVESTED AREA OF BARLEY BY YEAR, 1981- 2002



Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

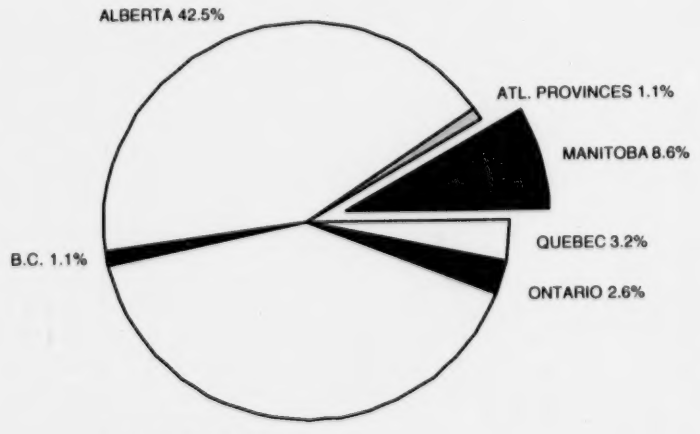
SEEDED AREA OF BARLEY BY AGRICULTURAL REGION, 1999- 2002



Data Source: Statistics Canada, Manitoba Agriculture

Market Analysis and Statistics Section, Manitoba Agriculture and Food

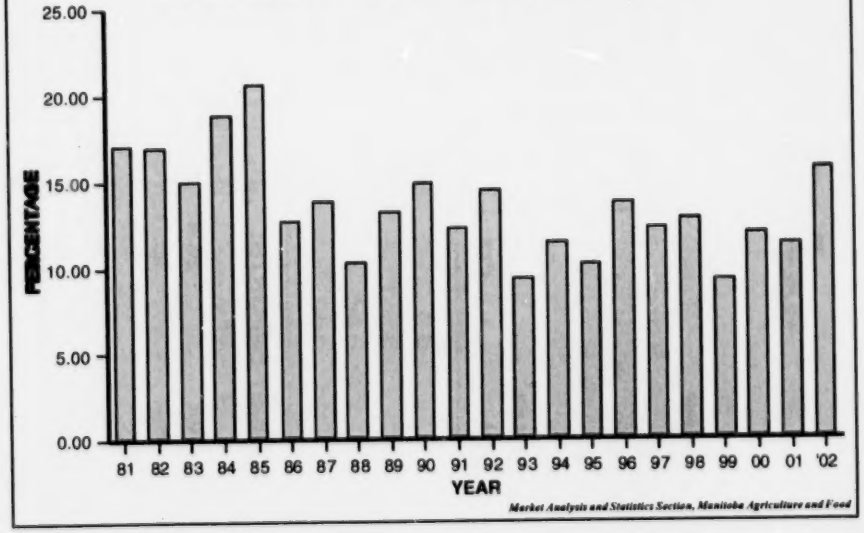
AREA OF BARLEY SEEDED BY PROVINCE, 2002



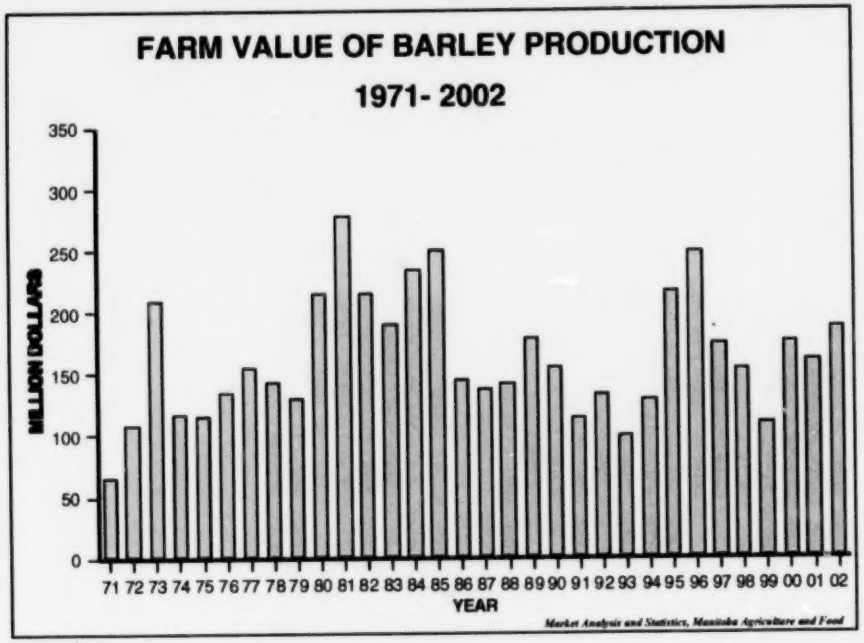
Source: Statistics Canada

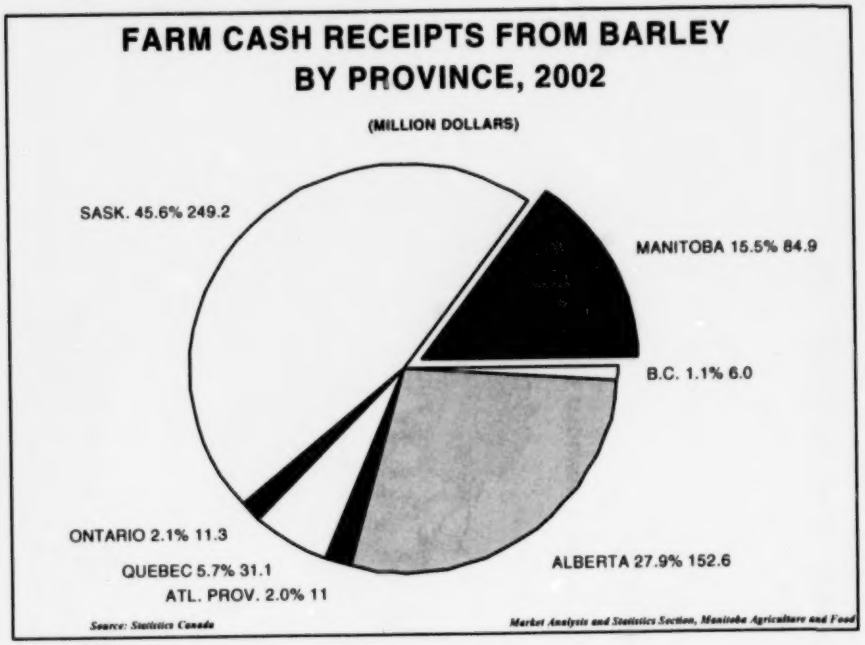
Market Analysis and Statistics Section, Manitoba Agriculture and Food

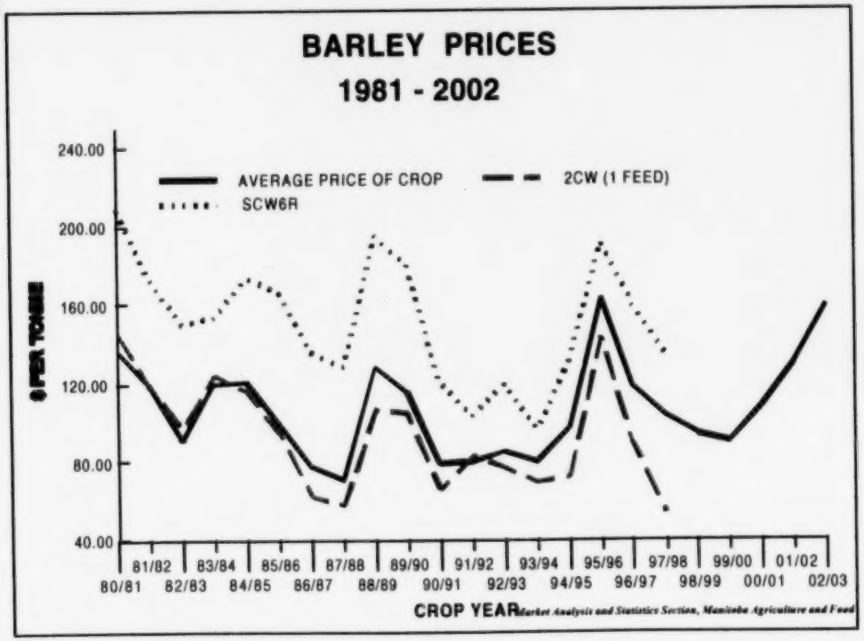
BARLEY PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002

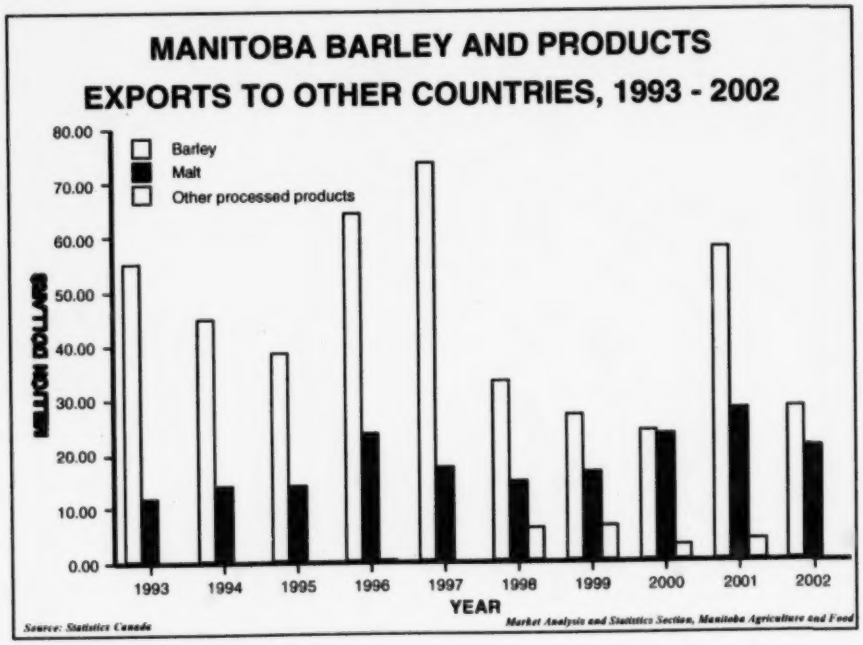


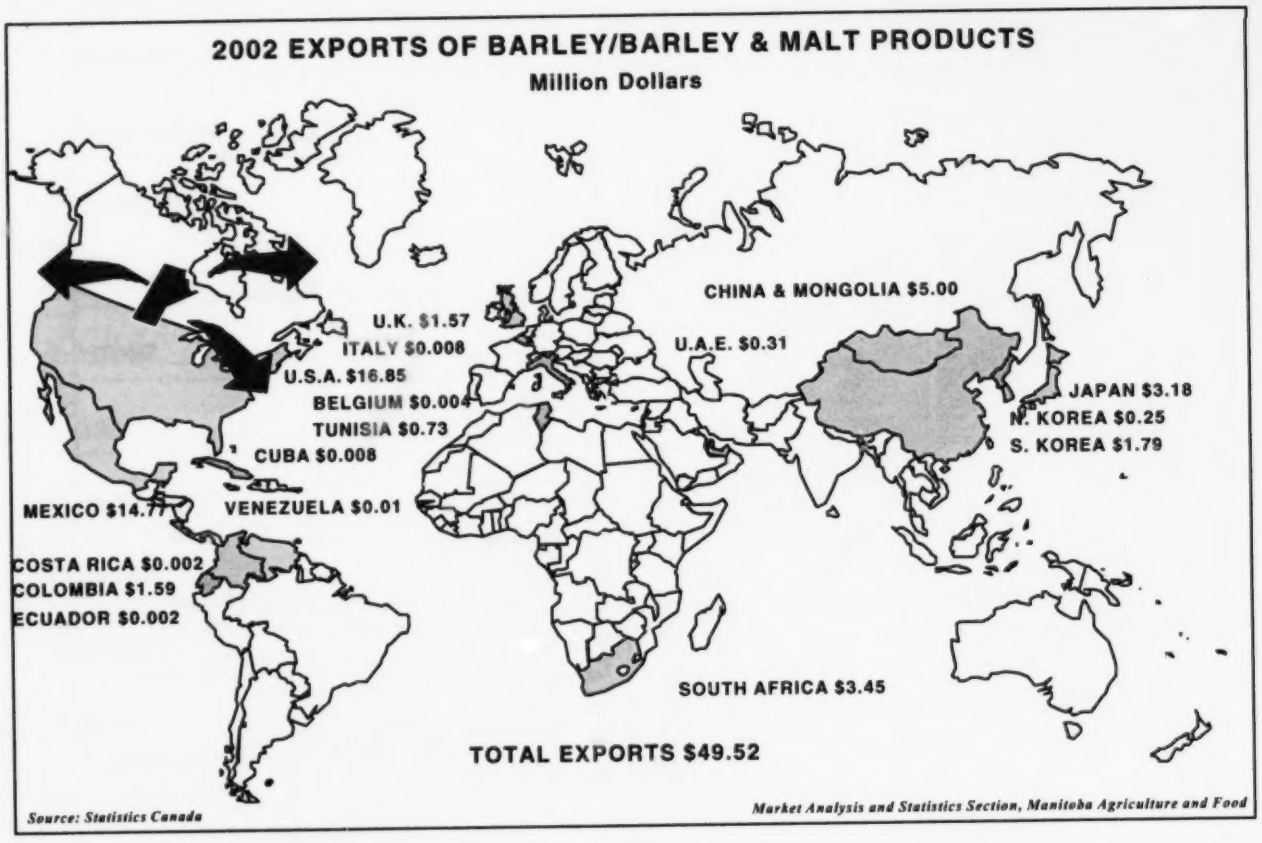
Market Analysis and Statistics Section, Manitoba Agriculture and Food

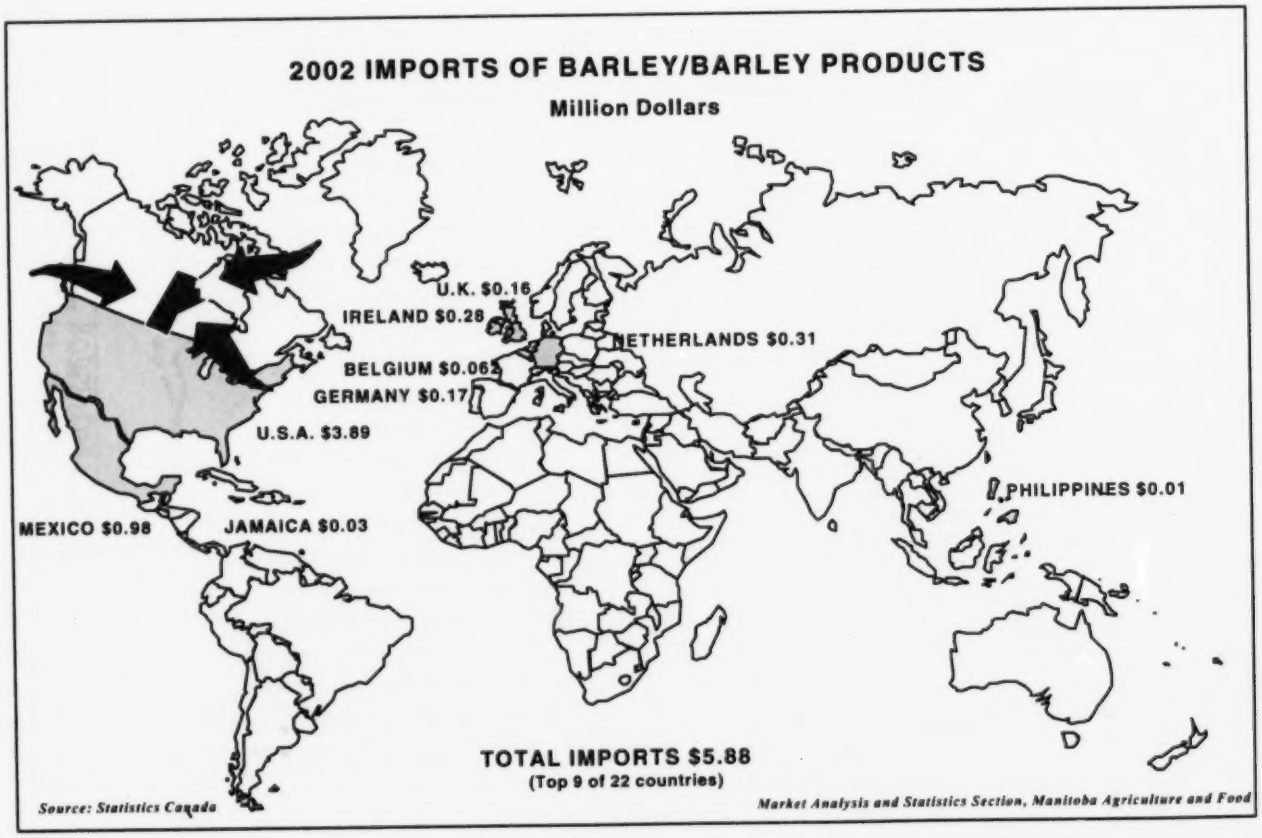

FARM VALUE OF BARLEY PRODUCTION
1971- 2002
MILLION DOLLARS
350
300
250
200
150
100
50
0
71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02
YEAR
Market Analysis and Statistics, Manitoba Agriculture and Food


FARM CASH RECEIPTS FROM BARLEY
BY PROVINCE, 2002
(MILLION DOLLARS)
SASK. 45.6% 249.2
MANITOBA 15.5% 84.9
B.C. 1.1% 6.0
ONTARIO 2.1% 11.3
QUEBEC 5.7% 31.1
ATL. PROV. 2.0% 11
ALBERTA 27.9% 152.6
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

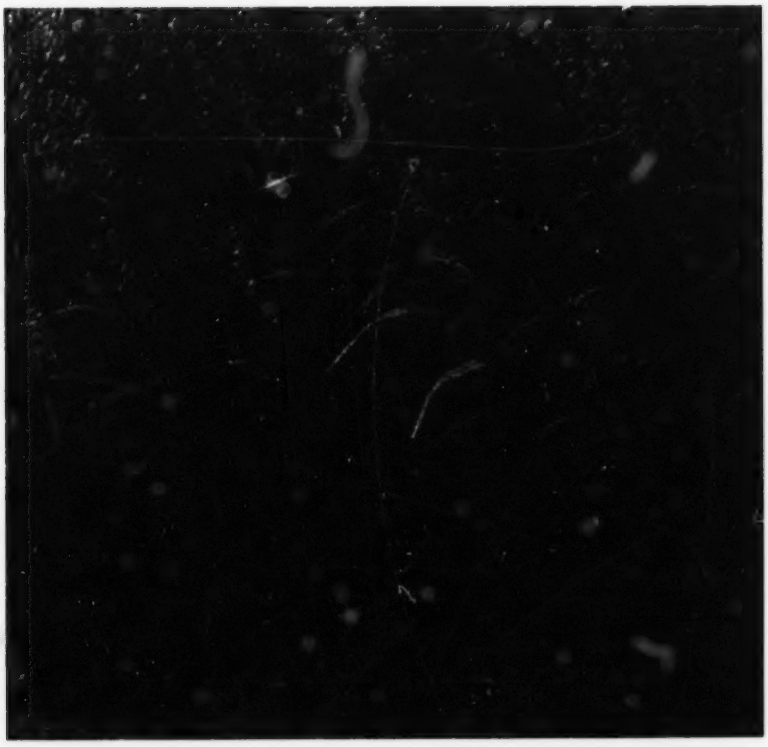

BARLEY PRICES
1981 - 2002
$ PER TONNE
240.00
200.00
160.00
120.00
80.00
40.00
AVERAGE PRICE OF CROP
2CW (1 FEED)
SCW6R
81/82 83/84 85/86 87/88 89/90 91/92 93/94 95/96 97/98 99/00 01/02
80/81 82/83 84/85 86/87 88/89 90/91 92/93 94/95 96/97 98/99 00/01 02/03
CROP YEAR
Market Analysis and Statistics Section, Manitoba Agriculture and Food


MANITOBA BARLEY AND PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993 - 2002
MILLION DOLLARS
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
Barley
Malt
Other processed products
1993 1994 1995 1996 1997 1998 1999 2000 2001 2002
YEAR
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 EXPORTS OF BARLEY/BARLEY & MALT PRODUCTS
Million Dollars
CHINA & MONGOLIA $5.00
U.K. $1.57
ITALY $0.008
U.S.A. $16.85
BELGIUM $0.004
TUNISIA $0.73
CUBA $0.008
U.A.E. $0.31
JAPAN $3.18
N. KOREA $0.25
S. KOREA $1.79
MEXICO $14.77
VENEZUELA $0.01
COSTA RICA $0.002
COLOMBIA $1.59
ECUADOR $0.002
SOUTH AFRICA $3.45
TOTAL EXPORTS $49.52
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF BARLEY/BARLEY PRODUCTS
Million Dollars
U.K. $0.16
IRELAND $0.28
NETHERLANDS $0.31
BELGIUM $0.06
GERMANY $0.17
U.S.A. $3.89
PHILIPPINES $0.01
MEXICO $0.98
JAMAICA $0.03
TOTAL IMPORTS $5.88
(Top 9 of 22 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

OAT SECTOR



OAT SECTOR PROFILE

Production:

The area of oats seeded and harvested in Manitoba was greatest in 1921 at 2.2 million acres. As the agricultural industry began to rely more on machinery and less on horses, the area of oats needed for animal feed declined over time. By 1991, only 384,000 acres were planted to oats, of which 270,000 acres were harvested for grain with the remainder being used for hay or silage. The popularity of oats for human consumption and pet food increased the acreage in the 1990s. Manitoba's oat plantings also shifted increasingly to new, very high-yielding varieties. In 2002, 1,150,000 acres of oats were seeded with 1,000,000 acres harvested for grain, up from 910,000 acres seeded and 800,000 acres harvested in 2001. From a peak production of 74.4 million bushels in 1922, oat production declined to 14.4 million bushels in 1991. The 2002 production of 66.0 million bushels was up by 36.1 percent from 2001. Manitoba contributed 35.0 percent of total Canadian oat production in 2002, but only 27.8 percent in 2001.

The average oat yield of 76.6 bushels per acre in 2000 was a new record, but the average yield declined to 60.6 bushels in 2001, then rose to 66.0 bushels in 2002, 4.9 percent below the 10-year average of 68.5 bushels per acre.

Average oat prices over the previous ten years ranged from a low of $1.50 per bushel in 1992-1994 to a record high of $2.83 in 2001. The average price declined to $2.73 per bushel for the 2002 crop. The total value of the 2002 Manitoba oat crop was a record $180.4 million, 31.2 percent above 2001 and 24.7 percent above the previous record of $144.7 million in 1996. A 41-year low of $18.7 million occurred in 1991.

Estimated expenses for oat production, including operating, labour and fixed costs, rose from $146.75 per acre in 2000 to $157.06 per acre in 2001, but fell to $148.09 per acre in 2002.

Marketing:

Over the last ten years, annual cash receipts from the oat sector increased from $29.7 million in 1993 to a record $124.7 million in 2002. Farm cash receipts in 2000 and 2001 were $68.2 million and $96.0 million respectively. Manitoba's contribution to Canadian oat receipts rose from 18.9 percent in 1992 to 41.0 percent in 2002.

About 69 percent of oats produced in 2002 were Tan or high protein milling oats, 27 percent were White or pony/performance oats and 4 percent were other/general purpose oats. Oat sales fell from 51.3 million bushels in 2000/01 to 41.5 million in 2001/02, but rose to 51.7 million bushels in 2002/03. Oat carryover increased to 9.7 million bushels at the end of the 1998/99 crop year, but was down to 4.5 million bushels on July 31, 2003.

Processing:

Oats are processed into flour, rolled oats and oat bran by Can-Oat Milling Products, Inc. in Portage la Prairie. Emerson Milling processes oats for high-quality pet and horse feed.

Trade:

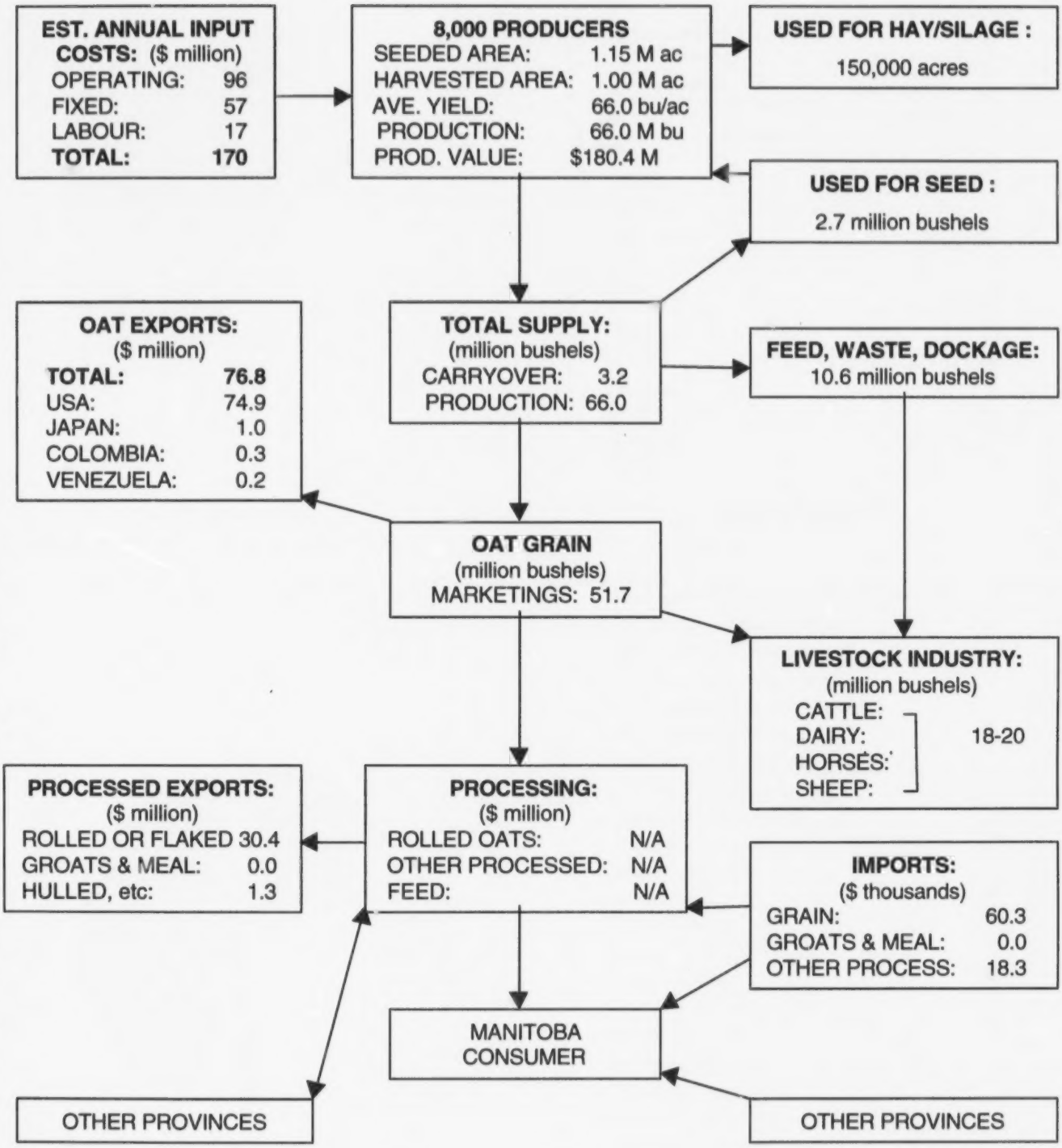
Unprocessed oat exports to other countries increased in value to $92.6 million in 2001, but decreased to $76.7 million in 2002. Manitoba oats have been increasingly popular for racehorses since the 1980s and more recently for milling, cereal and pet food products in the United States. About 98 percent of the province's oat exports were shipped to the U.S.A. in 2002, with smaller amounts going to Japan, Colombia, Venezuela and 17 other countries. Oat flour, rolled oats, oat groats and oat bran exports totalled $31.8 million in 2002, most of which were sold to the U.S.A.

Imports of oats and processed oat products were valued at $78,600 in 2002, about half of the $161,200 in 2001 and a significant decrease from $506,700 in 1996.

OATS AND OAT PRODUCTS SECTOR

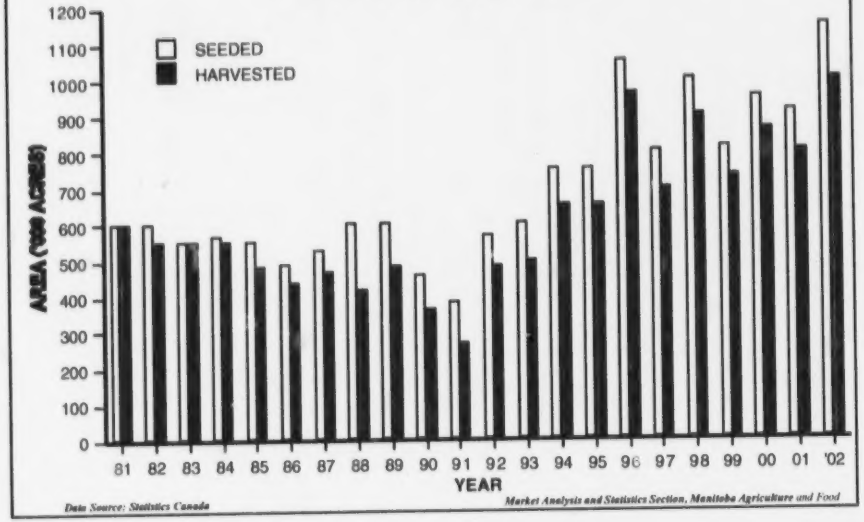
	1999	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	7,000	8,000	6,451	8,000	124
CROP PRODUCTION:					
Seeded Area ('000 acres):	810	950	910	1,150	126
% of Canada	17.4	21.1	19.3	19.4	
Harvested Area ('000 acres):	730	860	800	1,000	125
Yield/acre (bushels):	75.9	76.6	60.6	66.0	109
Production (million bu):	55.4	65.9	48.5	66.0	136
% of Canada	23.5	30.0	27.8	35.0	
Average Price ($/bu):	1.39	1.45	2.83	2.73	96
VALUE OF PRODUCTION ($ million):	76.9	95.9	137.5	180.4	131
ESTIMATED TOTAL EXPENSES ($/acre):	150.85	146.75	157.06	148.09	94
CASH RECEIPTS ($ million):	63.5	68.2	96.0	124.7	130
% of Canada	36.4	34.8	34.8	41.0	
ESTIMATED DISTRIBUTION OF OAT PRODUCTION BY TYPE (%):	99/2000	2000/01	2001/02	2002/03	
TAN (high protein milling oats)	68	63	60	69	
WHITE (pony or performance oats)	22	32	36	27	
OTHER (general purpose)	10	5	4	4	
CROP DISPOSITION (million bu):	65.1	72.4	56.3	69.2	123
Marketings	46.4	51.3	41.5	51.7	125
Seed Requirements	2.2	2.1	2.7	2.4	89
Feed, Waste & Dockage	10.0	11.2	8.9	10.6	119
Carryover, July 31	6.5	7.8	3.2	4.5	141
EXPORTS ($ million):	101.8	115.4	132.6	108.6	82
Unprocessed	66.0	87.5	92.6	76.8	83
Processed	35.8	27.9	39.9	31.8	80
IMPORTS ($ thousand):	36.9	72.3	161.2	78.7	49
Unprocessed	3.5	23.3	58.6	60.3	103
Processed	33.4	49.0	102.6	18.3	18

OAT INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

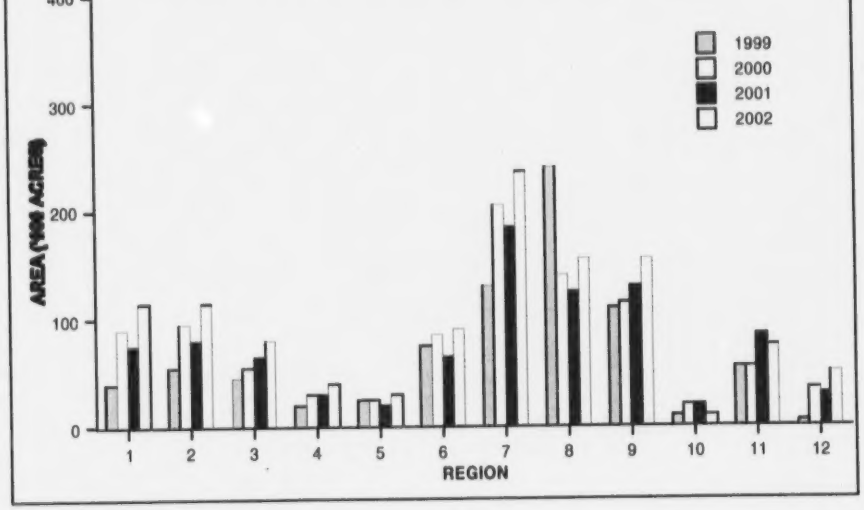
SEEDED & HARVESTED AREA OF OATS BY YEAR, 1981- 2002



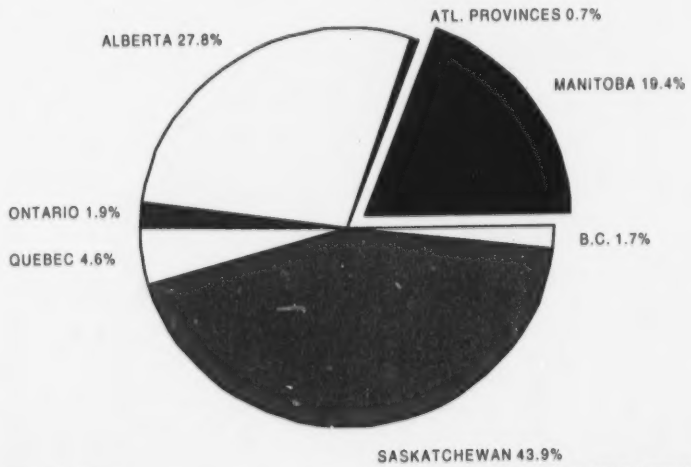
Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

SEEDED AREA OF OATS BY AGRICULTURAL REGION, 1999- 2002



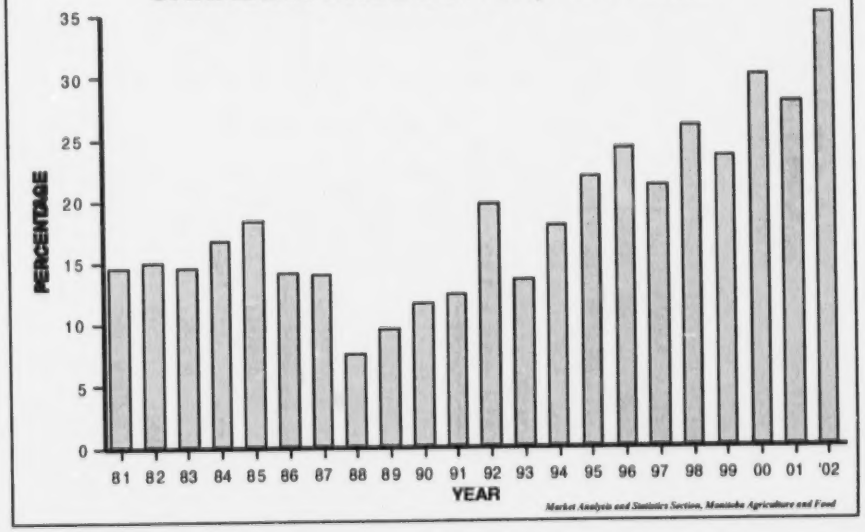
AREA OF OATS SEEDED BY PROVINCE, 2002



Source: Statistics Canada

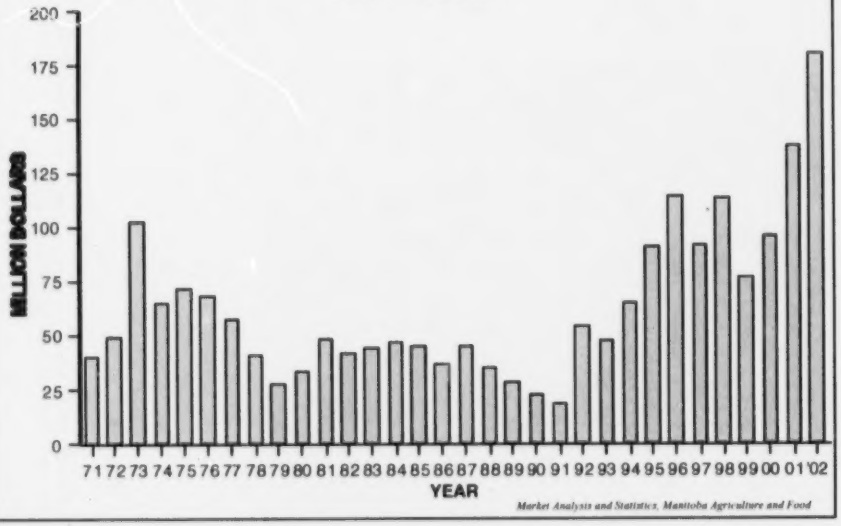
Market Analysis and Statistics Section, Manitoba Agriculture and Food

OATS PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002



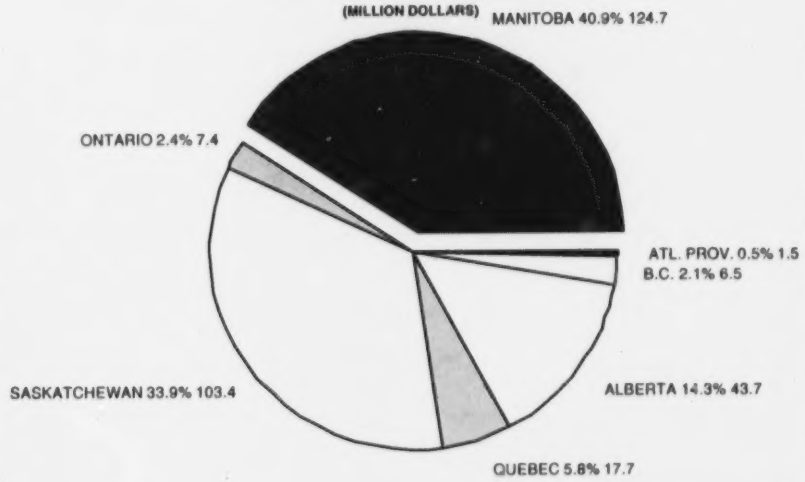
Market Analysis and Statistics Section, Manitoba Agriculture and Food

FARM VALUE OF OAT PRODUCTION
1971- 2002



Market Analysis and Statistics, Manitoba Agriculture and Food

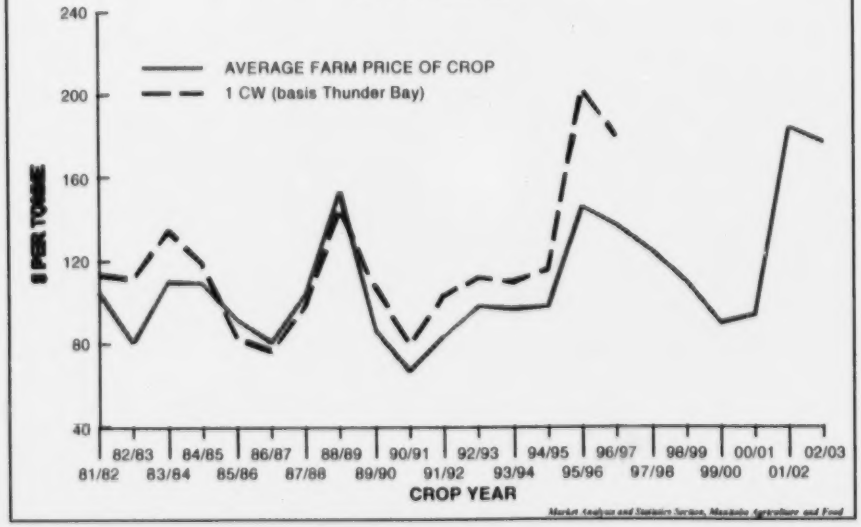
FARM CASH RECEIPTS FROM OATS
BY PROVINCE, 2002



Source: Statistics Canada

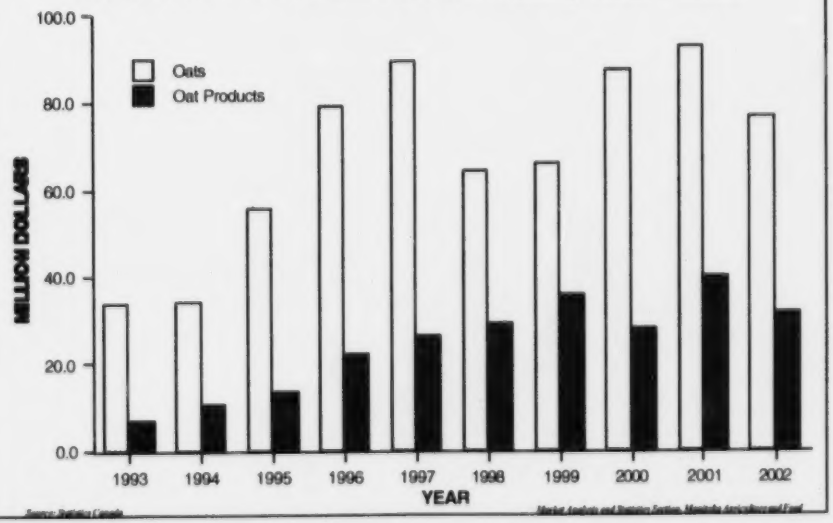
Market Analysis and Statistics Section, Manitoba Agriculture and Food

OAT PRICES
1981- 2002



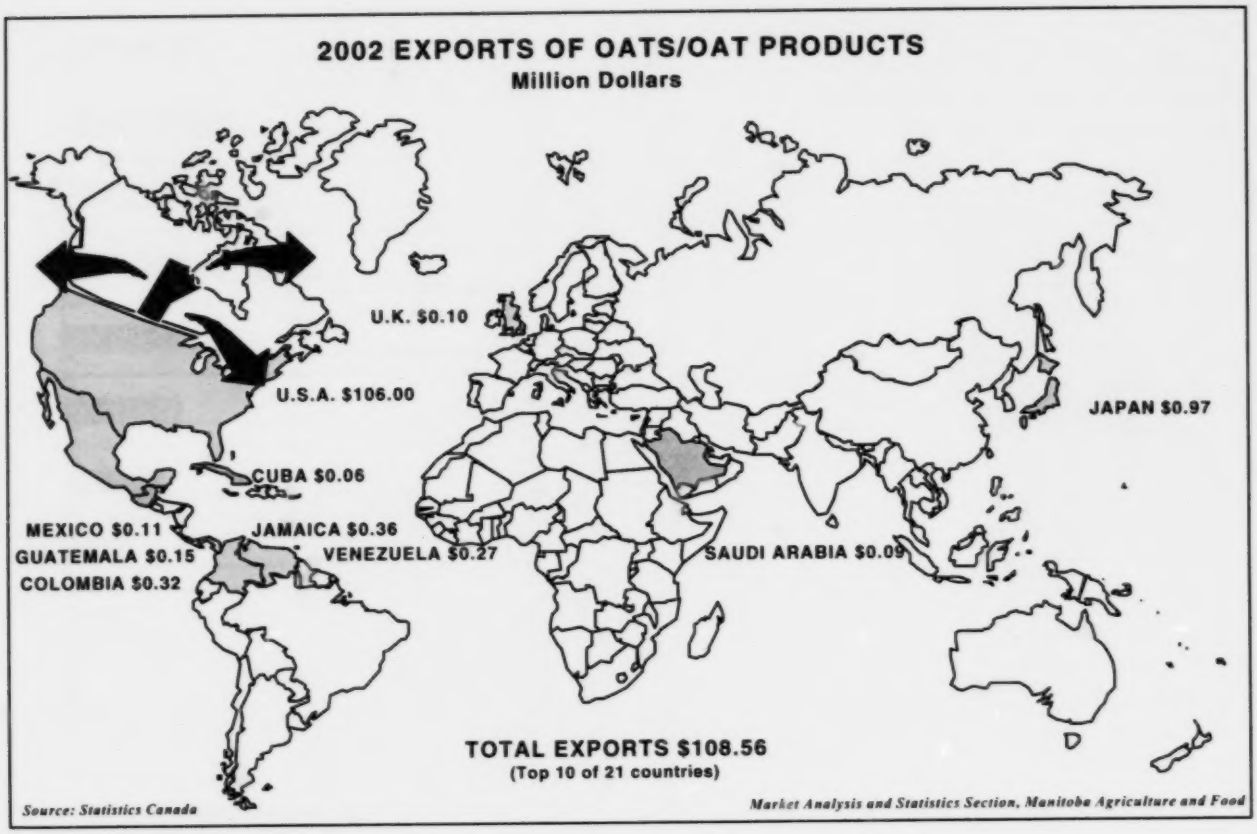
Market Analysis and Statistics Section, Manitoba Agriculture and Food

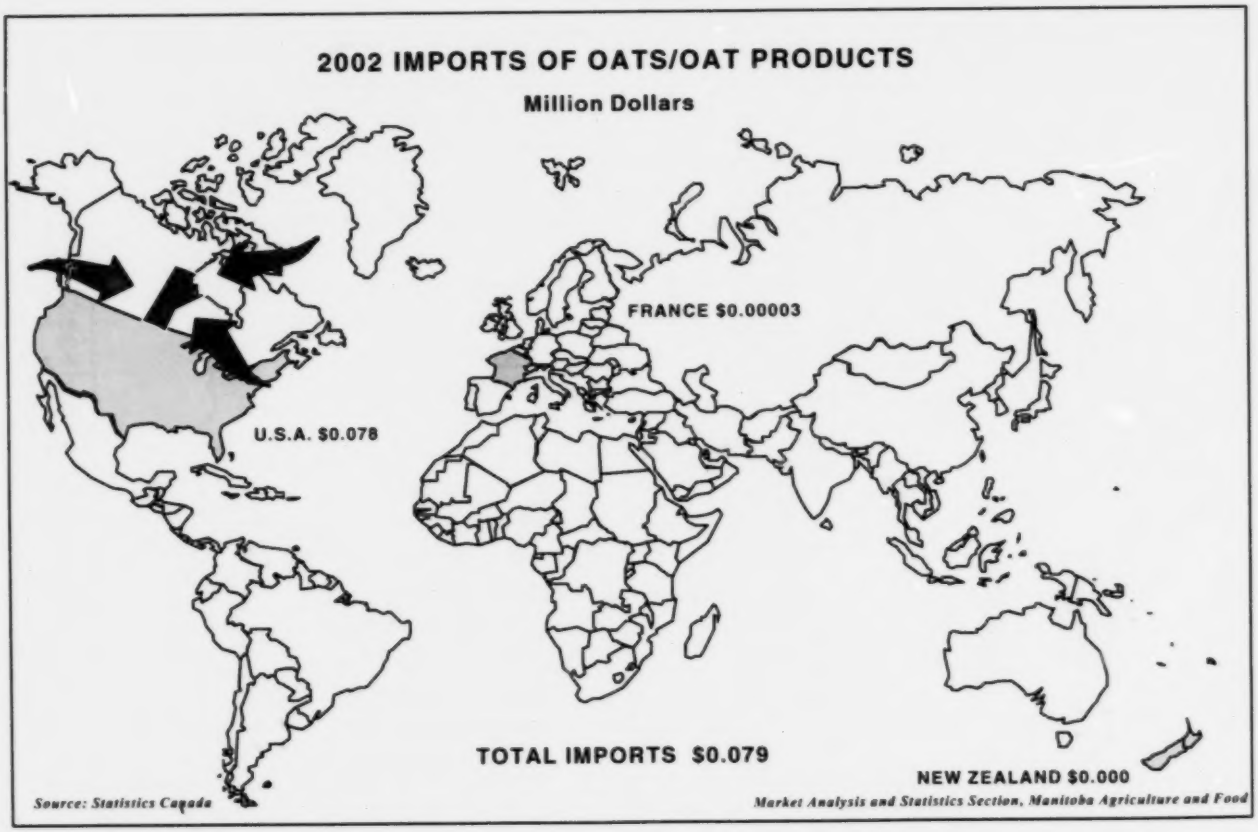
MANITOBA OATS AND OAT PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993 - 2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 EXPORTS OF OATS/OAT PRODUCTS
Million Dollars
U.K. $0.10
U.S.A. $106.00
JAPAN $0.97
CUBA $0.06
MEXICO $0.11
JAMAICA $0.36
GUATEMALA $0.15
VENEZUELA $0.27
SAUDI ARABIA $0.09
COLOMBIA $0.32
TOTAL EXPORTS $108.56
(Top 10 of 21 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF OATS/OAT PRODUCTS
Million Dollars
FRANCE $0.00003
U.S.A. $0.078
TOTAL IMPORTS $0.079
NEW ZEALAND $0.000
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

RYE SECTOR

RYE SECTOR PROFILE

Production:

Manitoba producers have been growing rye since the early 1900s. The area of rye seeded and harvested has varied over the years, reaching a record 230,000 acres in 1982 and 1989. Low prices relative to alternative crops in 1990 led to declining areas planted to rye in the early 1990s and, by 1994, only 40,000 acres were seeded. Prices improved and the area increased to120,000 acres in 1998, but declined to 80,000 acres in 1999, partly due to excess soil moisture in the south-west, which hampered seeding. Low prices prompted a further reduction in seeded area to 45,000 acres in 2001 and 2002. From a peak production of 8.4 million bushels in 1982, rye production declined to 1.5 million bushels in 1994. The 2001 crop of 1.485 million bushels was the lowest in 40 years. The 2002 crop was only slightly larger at 1.5 million bushels. Manitoba produced 28.5 percent of the Canadian rye crop in 2002.

The average yield in 2002 was 33.3 bushels per acre, down from the record 40 bushels per acre in 2000 and also below the 10-year average of 34.4 bushels per acre.

Average rye prices ranged from $1.47 per bushel to $4.34 per bushel over the thirty-year period, 1973 to 2002. The price decline from $3.90 per bushel in 1997 to $1.71 per bushel in 1999 was partly due to less of the crop being used for milling and more for feed. Prices rose from an average of $1.78 per bushel in 2000 to $2.99 per bushel in 2001 and to $3.72 in 2002.

The total value of the Manitoba rye crop was highest in 1981, at $25.91 million, but fell to a sixteen-year low of $3.67 million in 1993. The small 2001 and 2002 crops were offset by higher prices resulting in a 25.7 percent rise in the value of rye production from $4.44 million in 2001 to $5.58 million in 2002.

Estimated farm expenses for rye production, including operating, labour and fixed costs, rose from $129.03 per acre in 1992 to $164.96 in 2001, but dipped slightly to $156.87 in 2002.

Marketing:

Annual cash receipts from the sector increased from $2.9 million in 1993 to $10.1 million in 1996, but declined to $2.4 million in 2002. Manitoba's contribution to Canadian rye receipts rose from 14.0 percent in 1993 to 30.3 percent in 1999, but declined to 20.5 percent in 2002.

Rye is used for baking and flavouring as well as for livestock feed. Previous years' harvest surveys conducted by the Canadian Grain Commission show fairly high protein levels for the rye crop.

Rye sales increased from 1.24 million bushels in 1993/94 to 3.05 million bushels in 1998/99, but declined to 1.5 million bushels in 2002/03. Rye carryover fell from 1.18 million bushels on July 31, 1999 to 0.2 million bushels by July 31, 2003.

Processing:

Most Manitoba bakeries produce rye bread. Small quantities of rye malt are used to flavour the rye whiskey produced in Manitoba.

Trade:

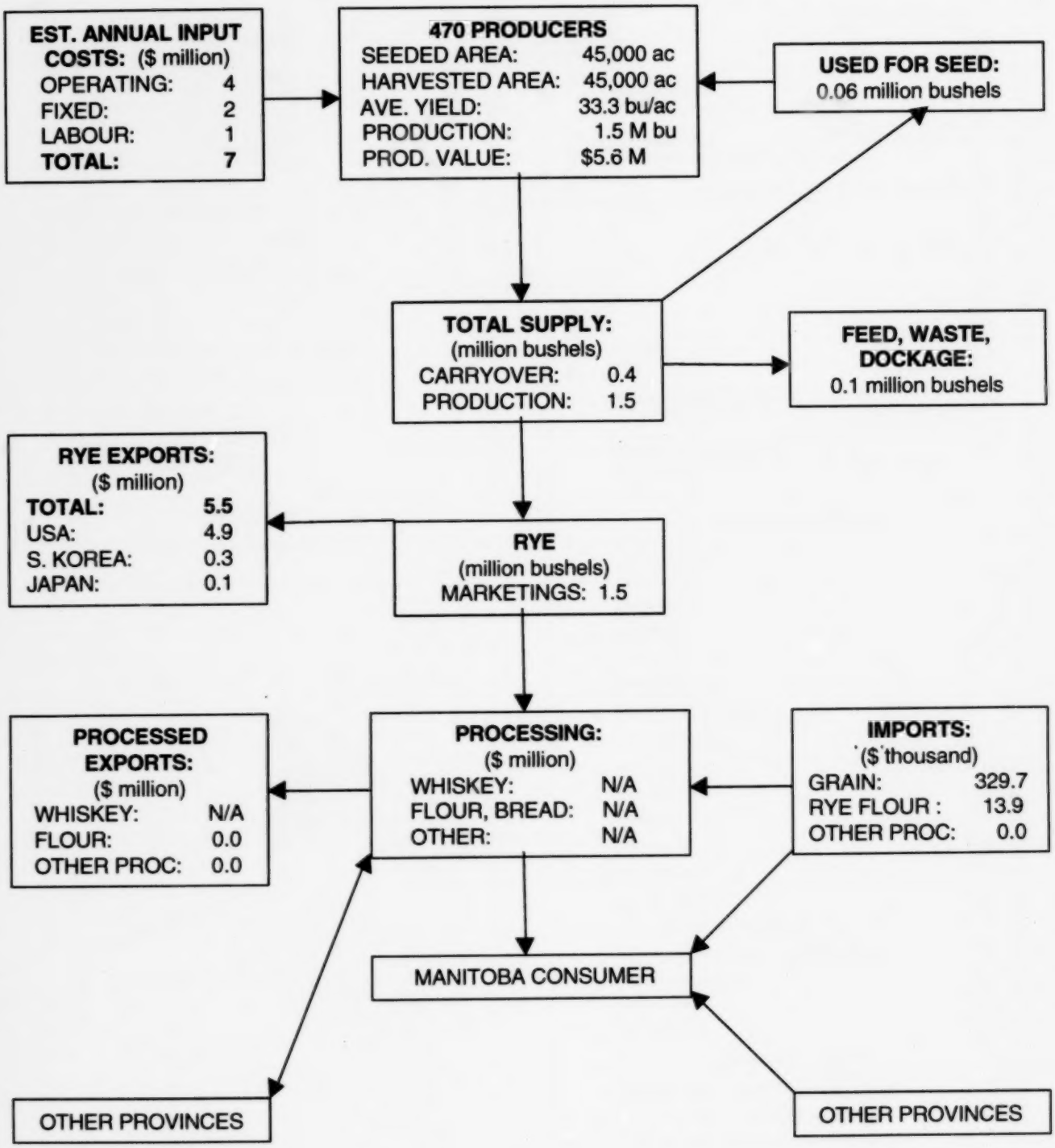
Unprocessed rye exports to other countries increased in value from $4.3 million in 1999 to $6.2 million in 2001, slipping to $5.5 million in 2002. The United States was the primary market for Manitoba product in 2002 with small amounts going to South Korea, Japan and seven other countries. Minimal amounts of rye flour, valued at $12,500, were exported to Belgium in 1996, but none has been exported since.

Imports of unprocessed rye from the United States increased in value from $218,900 in 1999 to $657,600 in 2000, fell to $263,700 in 2001, rising to $329,700 in 2002. Imports of rye flour fell from $14,300 in 2000 to $13,300 in 2001, rising to $13,900 in 2002.

RYE AND RYE PRODUCTS SECTOR

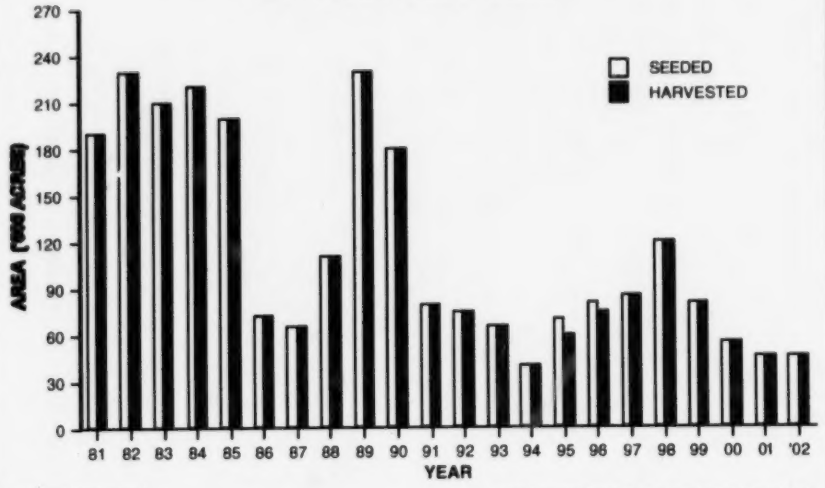
	1999	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	760	520	473	470	99
CROP PRODUCTION:					
Seeded Area ('000 acres):	80	55	45	45	100
% of Canada	17.3	14.9	12.2	15.8	
Harvested Area ('000 acres):	80	55	45	45	100
Yield/acre (bushels):	37.5	40.0	33.0	33.3	101
Production (million bushels):	3.0	2.2	1.5	1.5	101
% of Canada	19.7	21.5	16.6	28.5	
Average Price ($/bu):	1.71	1.78	2.99	3.72	124
VALUE OF PRODUCTION ($ million):	5.1	3.9	4.4	5.6	126
ESTIMATED TOTAL EXPENSES ($/acre):	148.80	144.37	164.96	156.87	95
CASH RECEIPTS ($ million):	5.2	4.6	3.9	2.4	62
% of Canada	30.3	30.0	24.0	20.5	
ESTIMATED QUALITY OF RYE CROP (% protein content):	**99/2000**	**2000/01**	**2001/02**	**2002/03**	
All Grades	N/A	N/A	N/A	N/A	
1CW	N/A	N/A	N/A	N/A	
2CW	N/A	N/A	N/A	N/A	
3CW	N/A	N/A	N/A	N/A	
CROP DISPOSITION (thousand bu.):	4,181	2,987	1,874	1,894	101
Marketings	2,830	2,180	1,220	1,515	124
Seed Requirements	71	71	59	71	120
Feed, Waste & Dockage	493	343	201	111	55
Carryover, July 31	787	394	394	197	50
EXPORTS ($ thousand):	4,268.2	5,578.8	6,179.2	5,457.4	88
Unprocessed	4,268.2	5.578.8	6,179.2	5,457.4	88
Processed	0	0	0	0	
IMPORTS ($ thousand):	238.4	671.9	277.0	343.6	124
Unprocessed	218.9	657.6	263.7	329.7	125
Processed	19.5	14.3	13.3	13.9	105

RYE INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

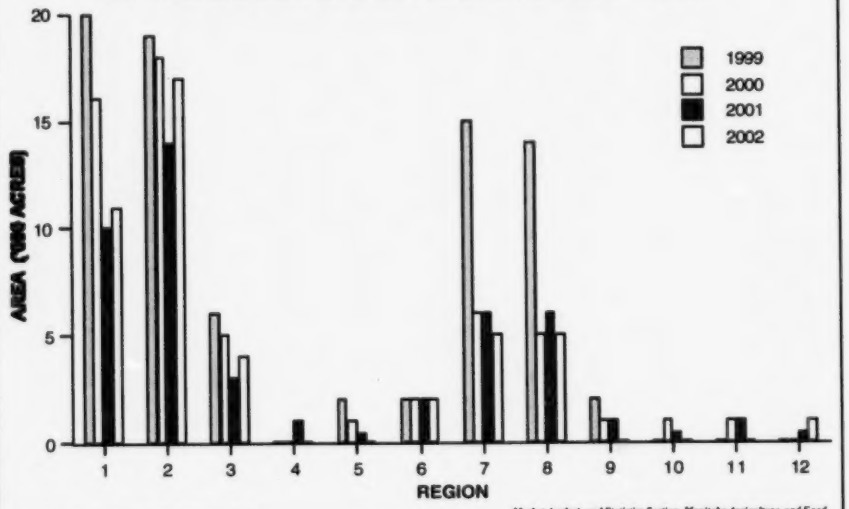
SEEDED & HARVESTED AREA OF RYE BY YEAR, 1981- 2002



Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

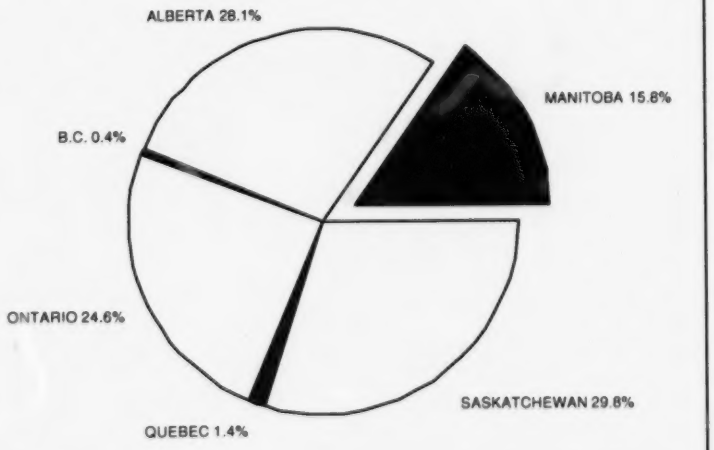
SEEDED AREA OF RYE BY AGRICULTURAL REGION, 1999- 2002



Data Source: Statistics Canada, Manitoba Agriculture

Market Analysis and Statistics Section, Manitoba Agriculture and Food

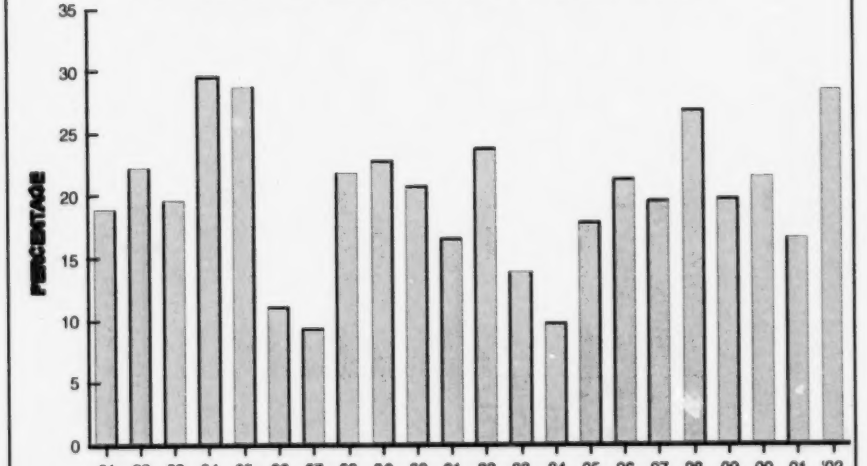
AREA OF RYE SEEDED BY PROVINCE, 2002



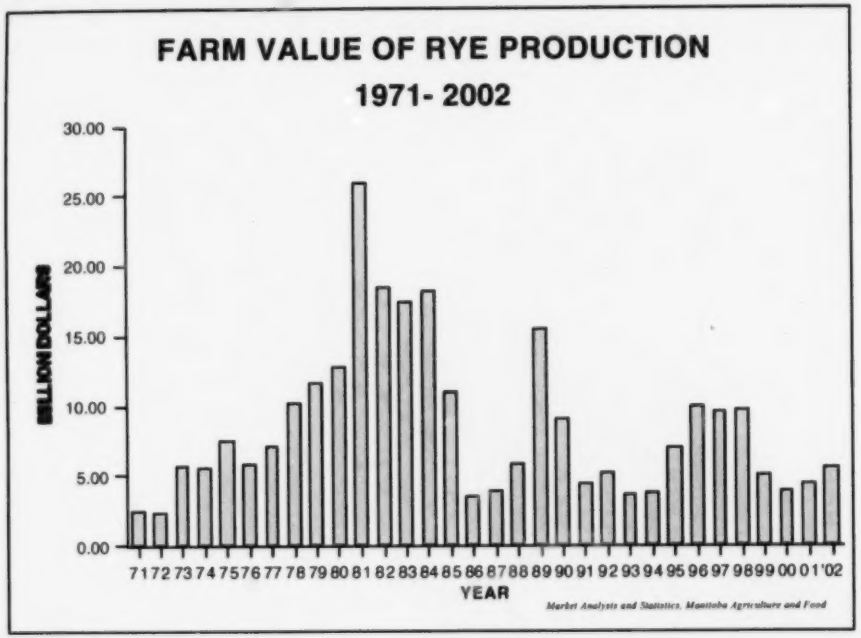
Source: Statistics Canada

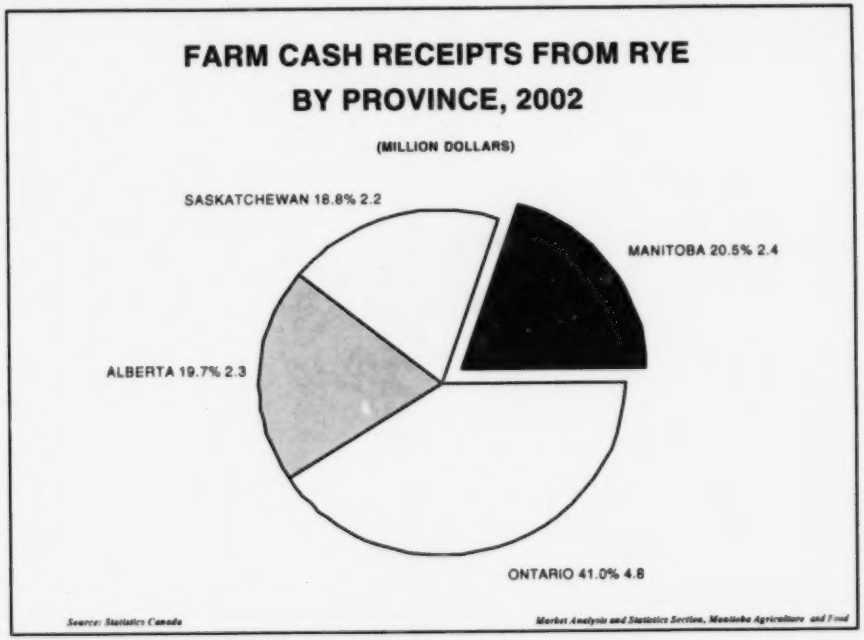
Market Analysis and Statistics Section, Manitoba Agriculture and Food

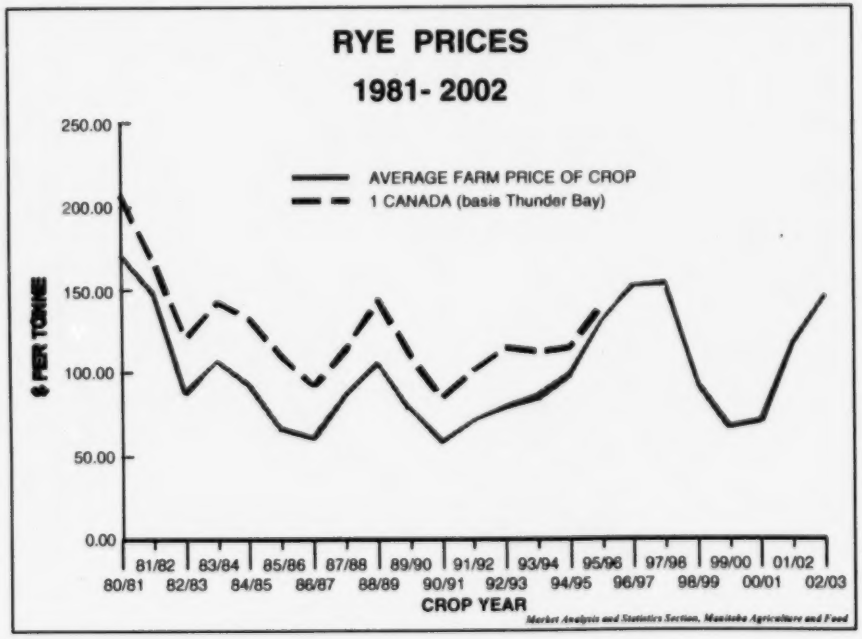
RYE PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002

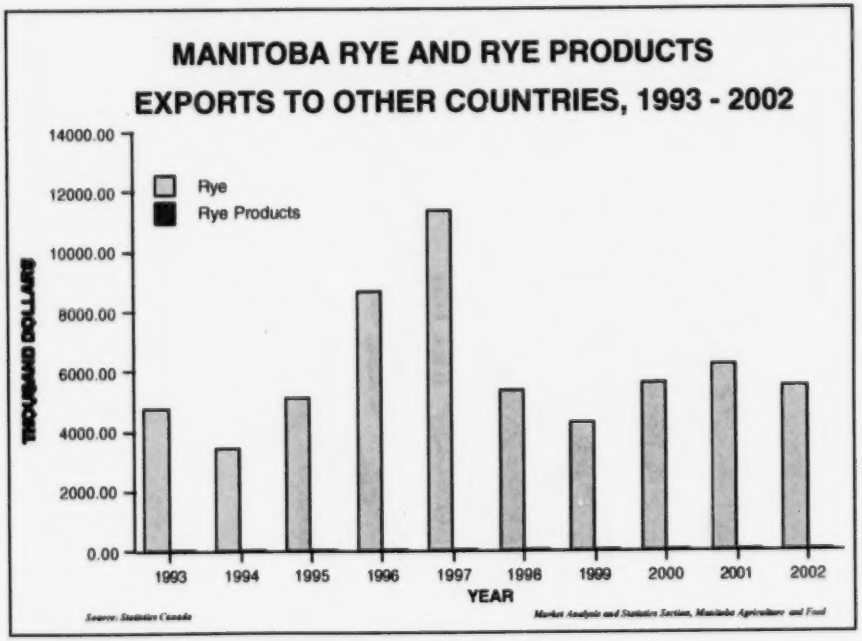


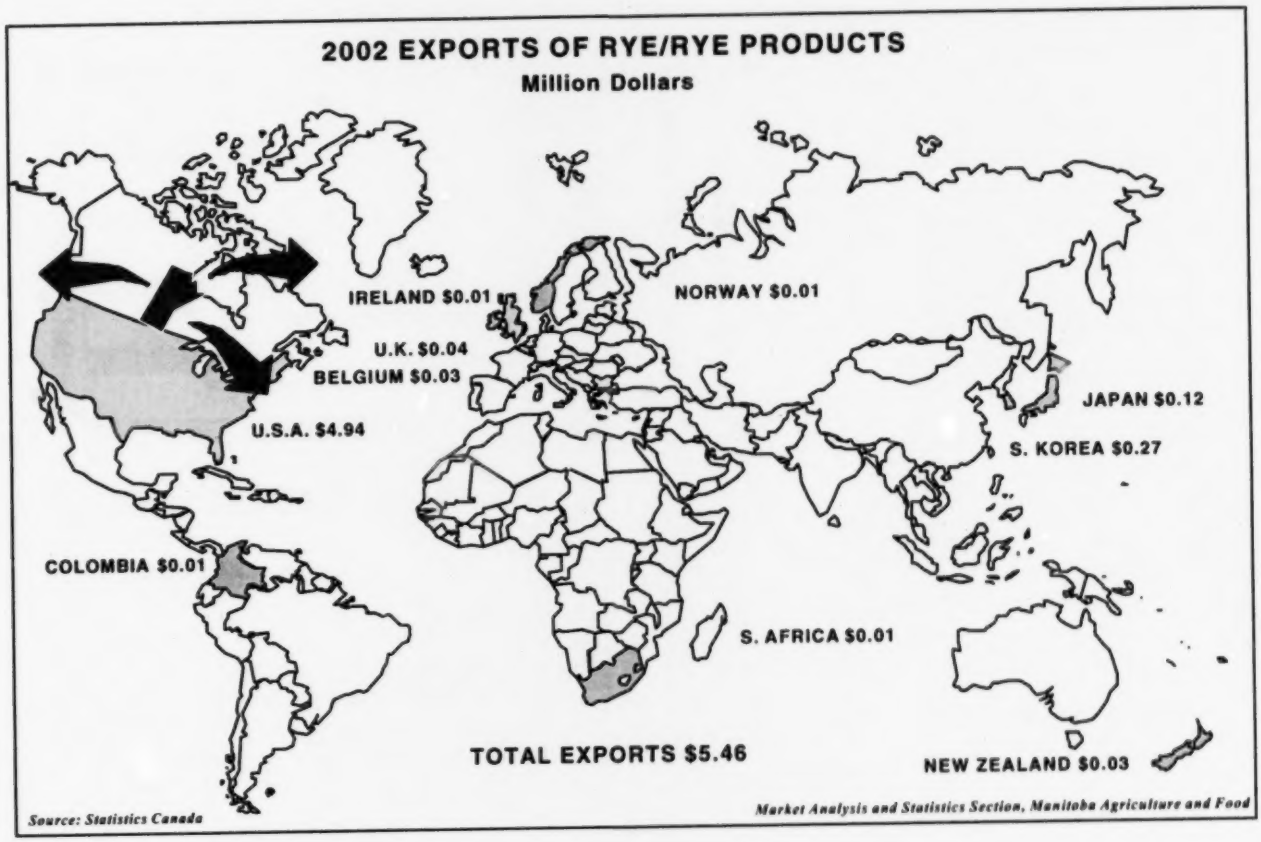
Market Analysis and Statistics Section, Manitoba Agriculture and Food

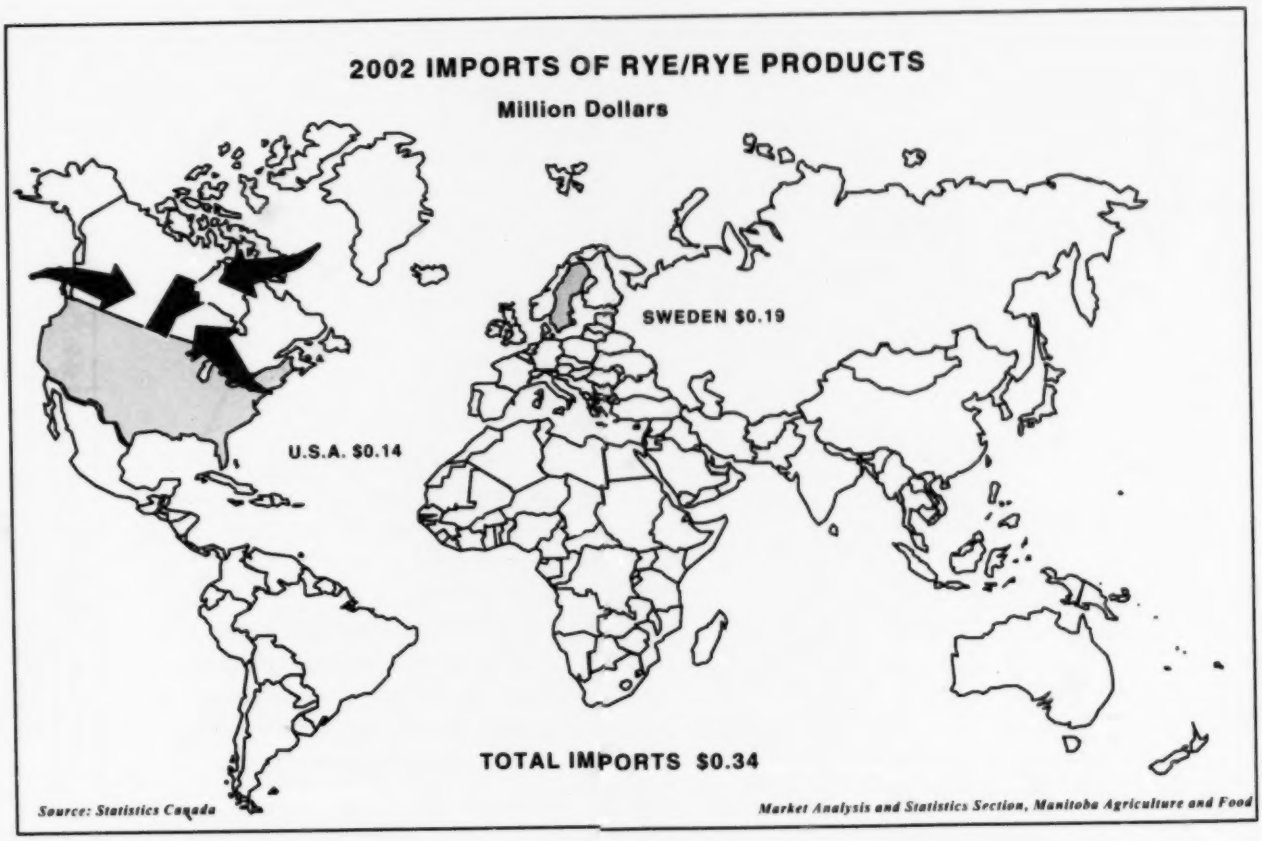

FARM VALUE OF RYE PRODUCTION
1971- 2002
BILLION DOLLARS
30.00
25.00
20.00
15.00
10.00
5.00
0.00
71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 '02
YEAR
Market Analysis and Statistics, Manitoba Agriculture and Food


FARM CASH RECEIPTS FROM RYE
BY PROVINCE, 2002
(MILLION DOLLARS)
SASKATCHEWAN 18.8% 2.2
MANITOBA 20.5% 2.4
ALBERTA 19.7% 2.3
ONTARIO 41.0% 4.8
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


RYE PRICES
1981- 2002
$ PER TONNE
250.00
200.00
150.00
100.00
50.00
0.00
AVERAGE FARM PRICE OF CROP
1 CANADA (basis Thunder Bay)
81/82 83/84 85/86 87/88 89/90 91/92 93/94 95/96 97/98 99/00 01/02
80/81 82/83 84/85 86/87 88/89 90/91 92/93 94/95 96/97 98/99 00/01 02/03
CROP YEAR
Market Analysis and Statistics Section, Manitoba Agriculture and Food


MANITOBA RYE AND RYE PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993 - 2002
THOUSAND DOLLARS
14000.00
12000.00
10000.00
8000.00
6000.00
4000.00
2000.00
0.00
Rye
Rye Products
1993 1994 1995 1996 1997 1998 1999 2000 2001 2002
YEAR
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 EXPORTS OF RYE/RYE PRODUCTS
Million Dollars
IRELAND $0.01
NORWAY $0.01
U.K. $0.04
BELGIUM $0.03
JAPAN $0.12
U.S.A. $4.94
S. KOREA $0.27
COLOMBIA $0.01
S. AFRICA $0.01
TOTAL EXPORTS $5.46
NEW ZEALAND $0.03
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF RYE/RYE PRODUCTS
Million Dollars
SWEDEN $0.19
U.S.A. $0.14
TOTAL IMPORTS $0.34
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

GRAIN CORN SECTOR

GRAIN CORN SECTOR PROFILE

Production:

Manitoba producers grew very little corn for grain prior to 1978, when 88,000 acres were harvested. Harvested areas were greatest in the early 1980s, reaching a record 225,000 acres in 1981. Lower prices and adverse weather conditions led to smaller areas of grain corn being harvested between 1992 and 1995. The area seeded to grain corn increased from 45,000 acres in 1995 to 145,000 acres in 2000, fell to 110,000 acres in 2001, but rose to 155,000 acres in 2002. In addition, 50,000 acres of corn was planted for silage purposes in 2002. From a peak production of 17.0 million bushels in 1981, the grain corn crop declined to 1.4 million bushels in 1992. The 2002 crop of 14.5 million bushels was the highest since 1981, and an increase of 46.5 percent from the previous year. Manitoba produced almost all of the 2001 Western Canadian grain corn crop, but only 4.1 percent of total Canadian corn production.

The average corn yield in 2002 was 93.5 bushels per acre, 5 bushels below the record yield of 98.5 per acre in 2001, but well above the 10-year average of 82.8 bushels per acre. Average grain corn prices rose from $2.35 per bushel for the 1992 crop to a record $4.50 for the 1995 crop. The price decreased each year after that to average $2.57 per bushel in 1999, but increased to $3.00 per bushel in 2001 and $3.63 in 2002. The total value of the Manitoba corn crop was highest in 1981, at $45.8 million, but in 1992, the value dropped to the lowest level, $3.3 million, for the period, 1976-2001. The value of grain corn production increased by 78.4 percent to a record $52.7 million in 2002 from $29.5 million in 2001.

Estimated farm expenses for grain corn production, including operating, labour and fixed costs, were $278.98 per acre in 2001, decreasing to $267.77 in 2002.

Marketing:

Annual cash receipts from the sector increased over the past six years, rising from $1.7 million in 1993 to $35.1 million in 2002, an increase of 59 percent from 2001. Manitoba's contribution to Canadian grain corn receipts rose from a low of 0.4 percent in 1993 to 4.3 percent in 2002.

Corn is sold to feed mills, grain handling firms, or fed on farms. The crop carryover on farms at July 31, 2003 totalled 1.85 million bushels and was used for pre-harvest feeding or distilling requirements.

Processing:

The distillery at Gimli uses about 1.8 to 2.0 million bushels of corn annually, generally the equivalent of 18 to 20 percent of Manitoba's crop, but equivalent to 14 per cent of the larger 2002 crop. Manitoba farmers have provided much of the distillery requirements for high quality corn, except in the years 1985, 1986, 1992 and 1993, when Manitoba grain corn production and quality were low and virtually all the corn requirements of the distillery had to be met by U.S. suppliers. Corn is also processed and used for hog and poultry feed. Fodder corn silage, including stalks and stems, is fed to dairy and beef cattle.

Trade:

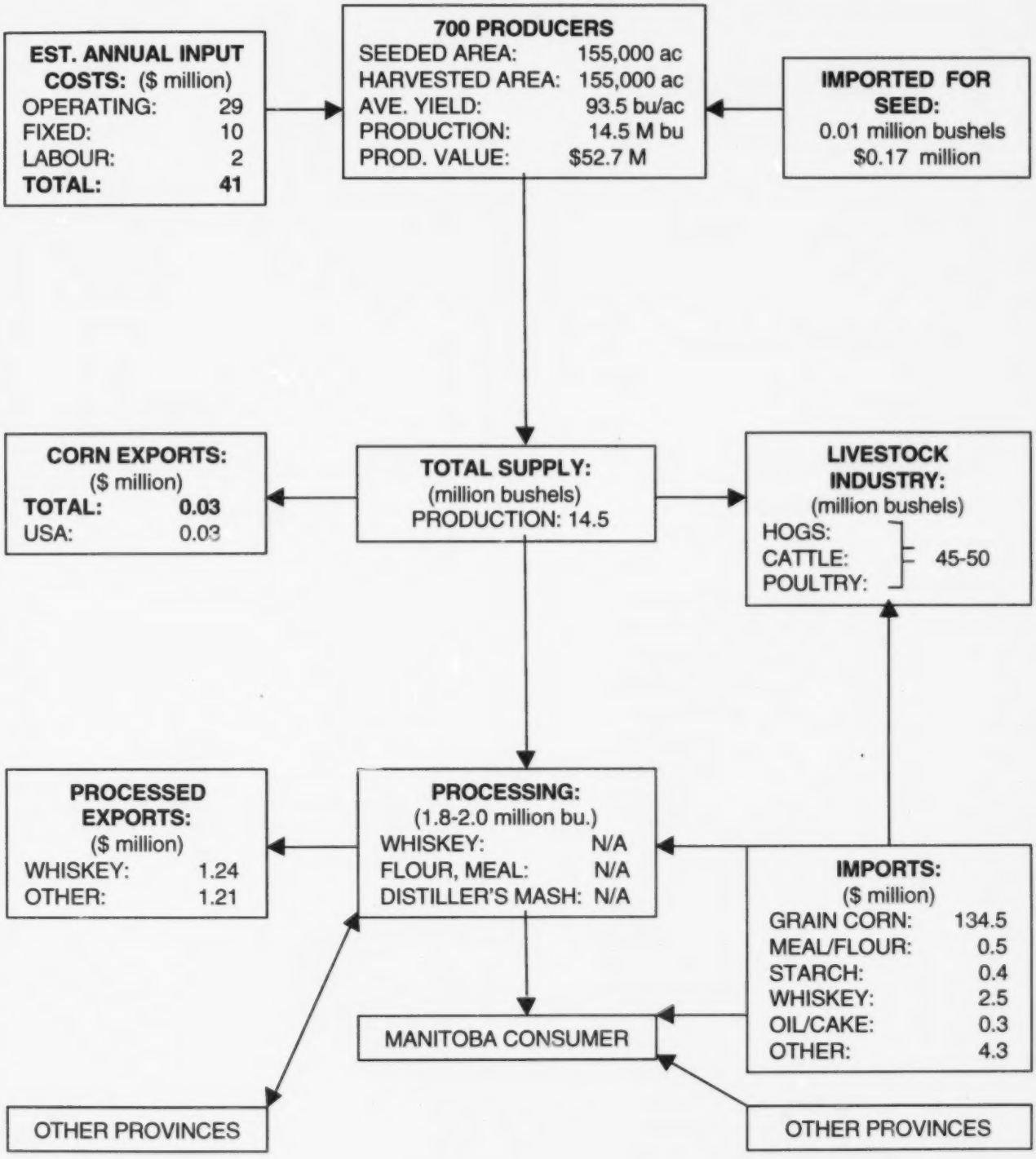
Exports of corn to other countries have varied from $0.17 million in 1999 to $0.03 million in 2002. The United States is the primary market for Manitoba corn exports. Whiskey exports were valued at $4.55 million in 2000, but declined to $1.24 million in 2002.

Corn imports from the U.S., mainly for use in hog and poultry feed, increased from $28.1 million in 2000 to $134.5 million in 2002. A temporary countervailing duty on corn imported into Canada was responsible for the drop in 2000. Corn flour, oil, meal and starch imports amounted to $5.5 million and whiskey imports totalled $2.5 million in 2002.

GRAIN CORN AND GRAIN CORN PRODUCTS SECTOR

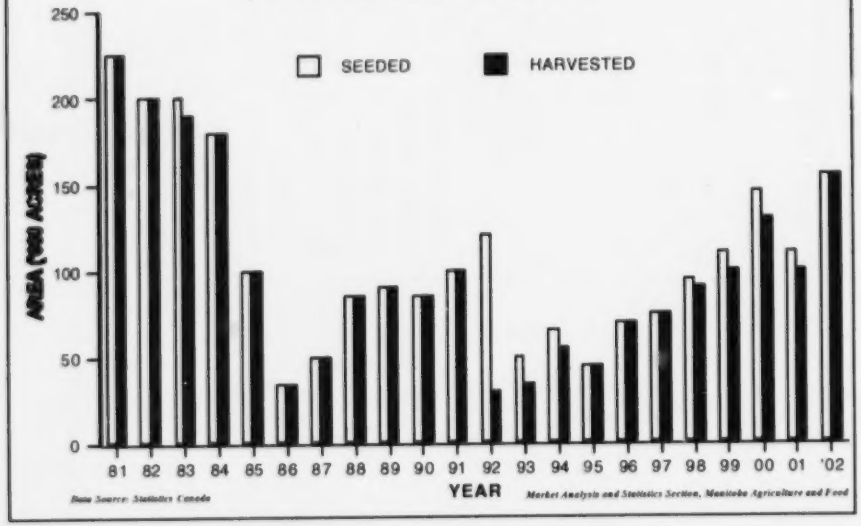
	1999[R]	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	540	600	542	700	129
CROP PRODUCTION:					
Seeded Area ('000 acres):	110.0	145.0	110.0	155.0	141
% of Canada	3.8	5.0	3.5	4.8	
Harvested Area ('000 acres):	100.0	130.0	100.0	155.0	155
Yield/acre (bushels):	94.0	80.0	98.5	93.5	95
Production (million bushels):	9.4	10.4	9.9	14.5	147
% of Canada	2.6	3.9	3.0	4.1	
Average Price ($/bu):	2.57	2.72	3.00	3.63	121
VALUE OF PRODUCTION ($ million):	24.1	28.3	29.5	52.7	178
ESTIMATED TOTAL EXPENSES ($/acre):	268.80	263.63	278.98	267.77	96
CASH RECEIPTS ($ million):	19.2	21.4	22.1	35.1	159
% of Canada	2.6	3.1	3.5	4.3	
EXPORTS ($ million):	4.43	7.65	3.80	2.48	65
Unprocessed	0.17	0.08	0.07	0.03	47
Processed:	4.26	7.56	3.73	2.45	66
Whiskey	4.25	4.55	3.71	1.24	33
Other	0.014	3.01	0.02	1.21	605
IMPORTS ($ million):	40.7	33.3	42.0	142.5	339
Unprocessed:	35.2	28.1	35.9	134.5	375
For seed	0.5	0.7	0.2	0.2	70
Other: ($ million)	34.7	27.4	35.6	134.3	377
(million bushels)	9.5	7.9	11.1	37.3	335
Processed:	5.6	5.3	6.1	8.0	132
Whiskey	2.4	1.6	1.7	2.5	148
Other	3.2	3.6	4.4	5.5	125

GRAIN CORN INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

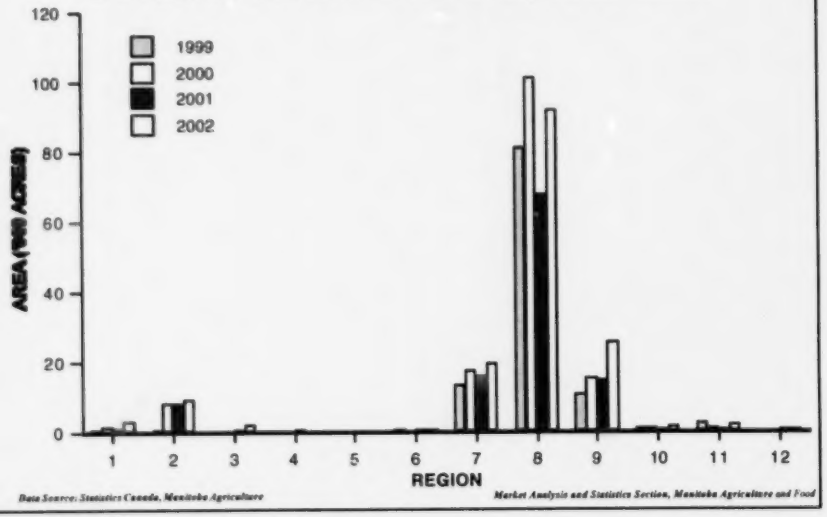
SEEDED & HARVESTED AREA OF GRAIN CORN BY YEAR, 1981- 2002



Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

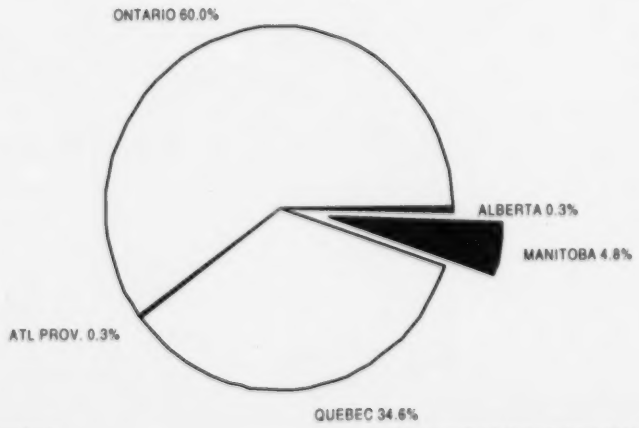
SEEDED AREA OF GRAIN CORN BY AGRICULTURAL REGION, 1999- 2002



Data Source: Statistics Canada, Manitoba Agriculture

Market Analysis and Statistics Section, Manitoba Agriculture and Food

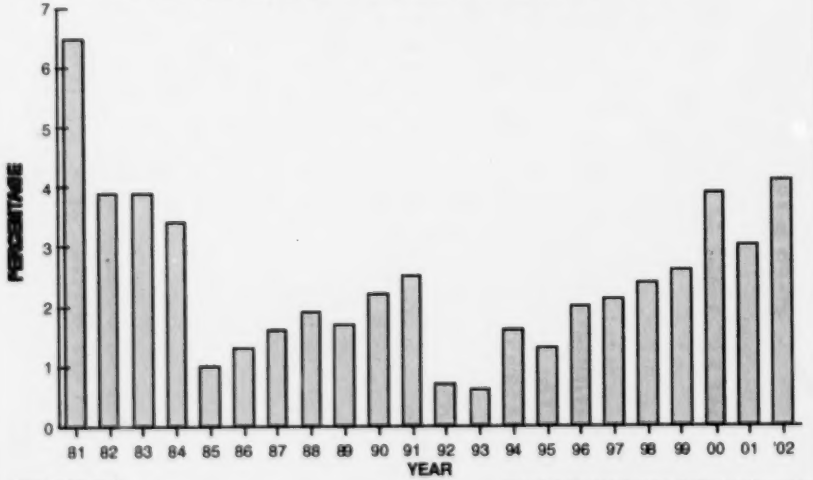
AREA OF GRAIN CORN SEEDED BY PROVINCE, 2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

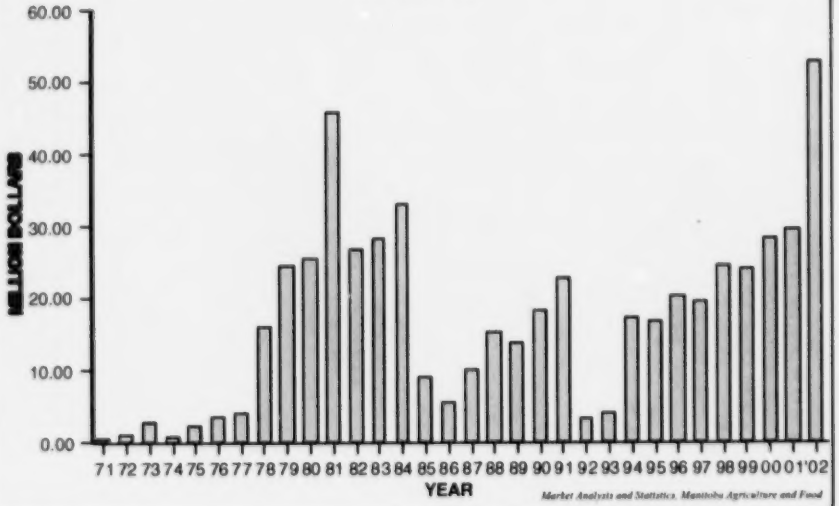
GRAIN CORN PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002



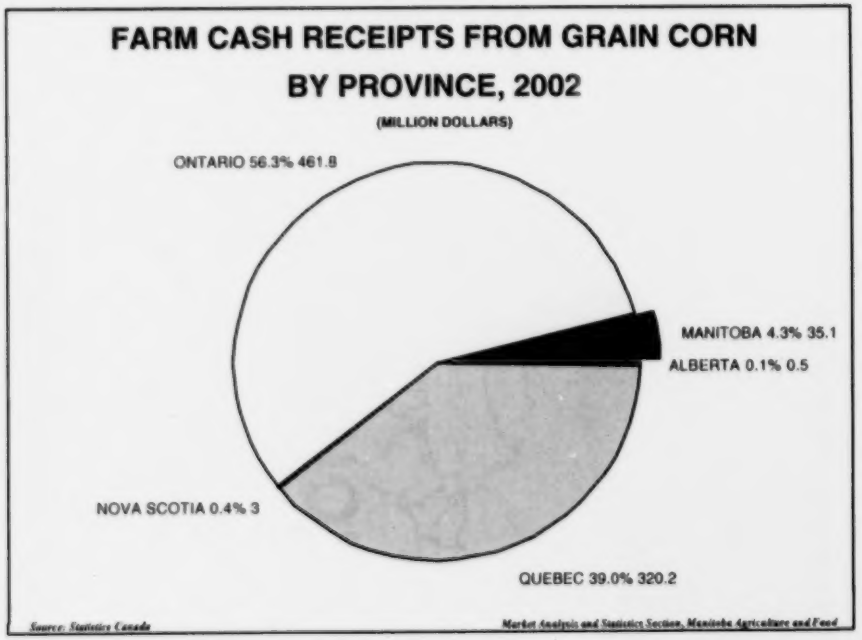
Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

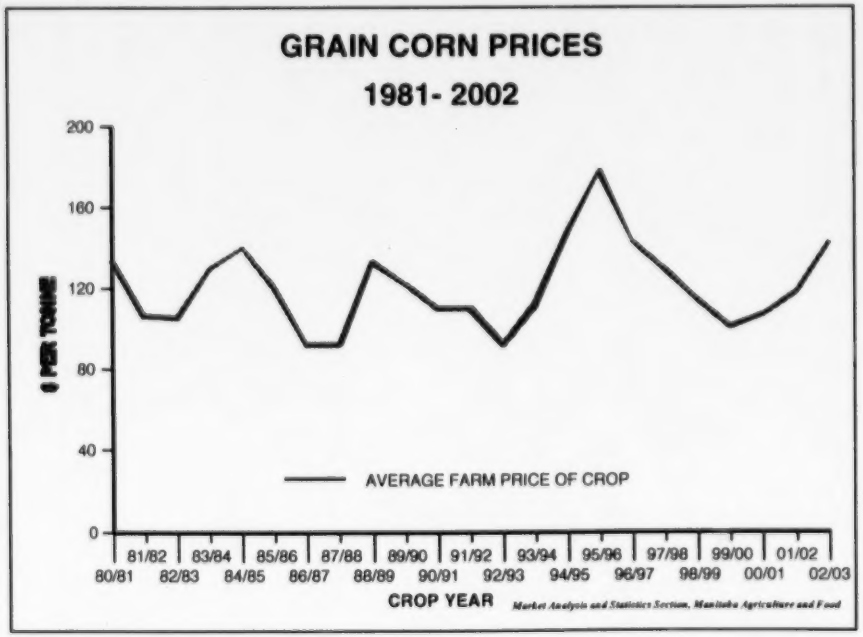
FARM VALUE OF GRAIN CORN PRODUCTION 1971-2002



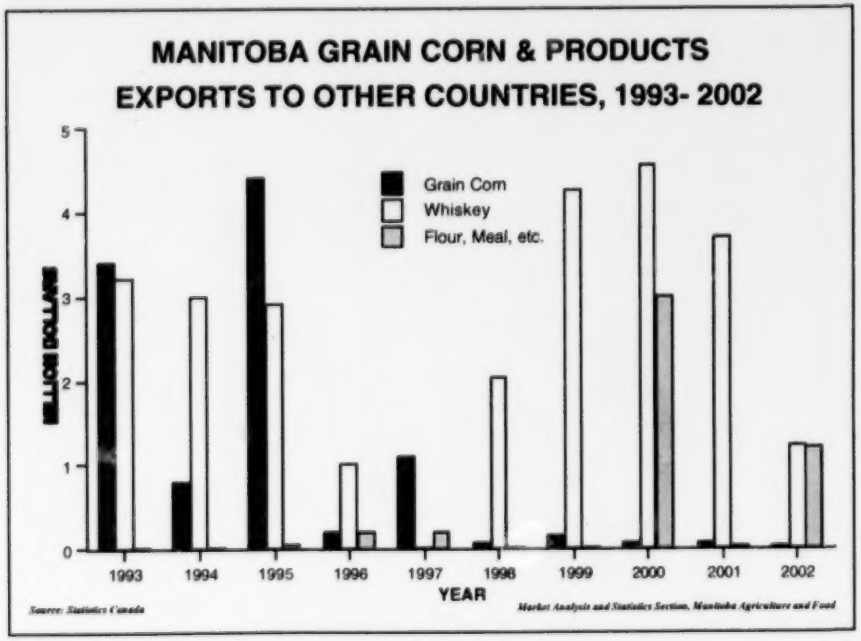
FARM CASH RECEIPTS FROM GRAIN CORN BY PROVINCE, 2002



GRAIN CORN PRICES 1981- 2002



MANITOBA GRAIN CORN & PRODUCTS EXPORTS TO OTHER COUNTRIES, 1993- 2002



2002 EXPORTS OF GRAIN CORN/CORN PRODUCTS
Million Dollars
IRELAND $0.01
U.S.A. $2.45
HONG KONG $0.00
ANGOLA $0.02
TOTAL EXPORTS $2.48
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

2002 IMPORTS OF GRAIN CORN/CORN PRODUCTS
Million Dollars
IRELAND $0.06
U.K. $2.11
GERMANY $0.012
ITALY $0.000
U.S.A. $140.3
MEXICO $0.002
BRAZIL $0.003
CHILE $0.000
PARAGUAY $0.000
TOTAL IMPORTS $142.5
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

CANOLA SECTOR

CANOLA SECTOR PROFILE

Production:

Rapeseed was introduced as an alternative crop for Manitoba producers during World War II. The crop increased in significance in the late 1960s-early 1970s when research and the development of canola produced more palatable oil for human consumption and meal for livestock feed (low erucic acid and low glucosinolate content). A small area of high-erucic, low glucosinolate rapeseed continues to be grown under contract for export as an industrial oilseed.

The area seeded to canola (rapeseed) in Manitoba rose from 29,300 acres in 1961 to 581,000 acres ten years later. The canola area reached a high of 2.75 million acres in 1998 with 2.73 million harvested. The 1998 canola production of 79.5 million bushels was also a record. However, a significant decline in canola prices in 1999/2000 and 2000/01 led to lower seeded areas in 2000 and 2001. In 2002, the seeded area increased in response to price improvements, and seeded and harvested areas were 2.20 million acres and 2.15 million acres respectively. Manitoba produced 62.0 million bushels in 2002, which was 39.3 percent of the Canadian canola crop, up from 22.8 percent in 2001 because of the western drought.

Yields averaged 28.8 bushels per acre in 2002, up from 26.3 bushels in 2001, compared to the record yield of 30.6 bushels per acre in 1999, and the 10-year average of 27.3 bushels per acre.

The average price of canola rose steadily from $5.35 per bushel for the 1991 crop to a high of $8.73 for the 1996 crop, dropping to $5.44 per bushel for the 2000 crop, but rising to $8.50 in 2002. The total value of the Manitoba canola crop peaked in 1998, at $631.1 million. The value increased from $348.0 million for the 2001 crop to $527.3 million for the 2002 crop. Canola was the most valuable crop in Manitoba in 2002, 1.2 percent ahead of wheat.

Estimated farm expenses, including operating, labour and fixed costs, for canola production rose from $162.65 per acre in 1992 to $222.05 per acre in 2001, but dropped to $206.83 in 2002.

Marketing:

Annual canola cash receipts rose from $197.1 million in calendar year 1992 to a record $622.3 million in 1998, but totalled $483.6 million in 2002. Manitoba's contribution to Canadian canola receipts was 29.6 percent in 2002, up from 21.1 percent in 2001.

Approximately 88 percent of the Manitoba canola samples tested by the CGC graded No.1 Canada (65% in 2001, 87% in 2000), with an average of 42.5% oil and 23.0% protein (42.6% oil and 22.1% protein in 2001), with another 9.2 percent (30% in 2001) grading No.2. Canola marketings increased to a record 69.9 million bushels in 2000/01, declined to 47.3 million bushels in 2001/02, then rose to 60.6 million in 2002. Canola carryover was 11.0 million bushels at the end of the 1999/2000 crop year, but dropped to 2.2 million bushels by the end of 2002/03.

Additional uses and new varieties of rapeseed and canola are being developed. Protein extracts for use in food products have been developed by Burcon Nutrascience Corp. New varieties with specific oil profiles are being developed by plant scientists for potential human food or industrial use, including biofuels, including low linolenic acid levels, low linolenic/high oleic acid levels, high lauric acid levels, and high stearic acid levels.

Processing:

Canola is processed by two crushing plants owned by CanAmera, one at Altona and the other at Harrowby on the Saskatchewan border. Together the two plants have a crushing capacity of approximately 28 million bushels per year and both have refining capacity. Output from the plants includes bulk crude and refined oil, bulk vegetable oil, and retail pack refined oil for human consumption. Canola meal is a high-protein by-product which, along with hulls and screenings, is used for livestock feed.

A new cold-crush plant was built in Ste. Agathe in 1997, but has only crushed minimal amounts of canola since then due to financial difficulties.

Trade:

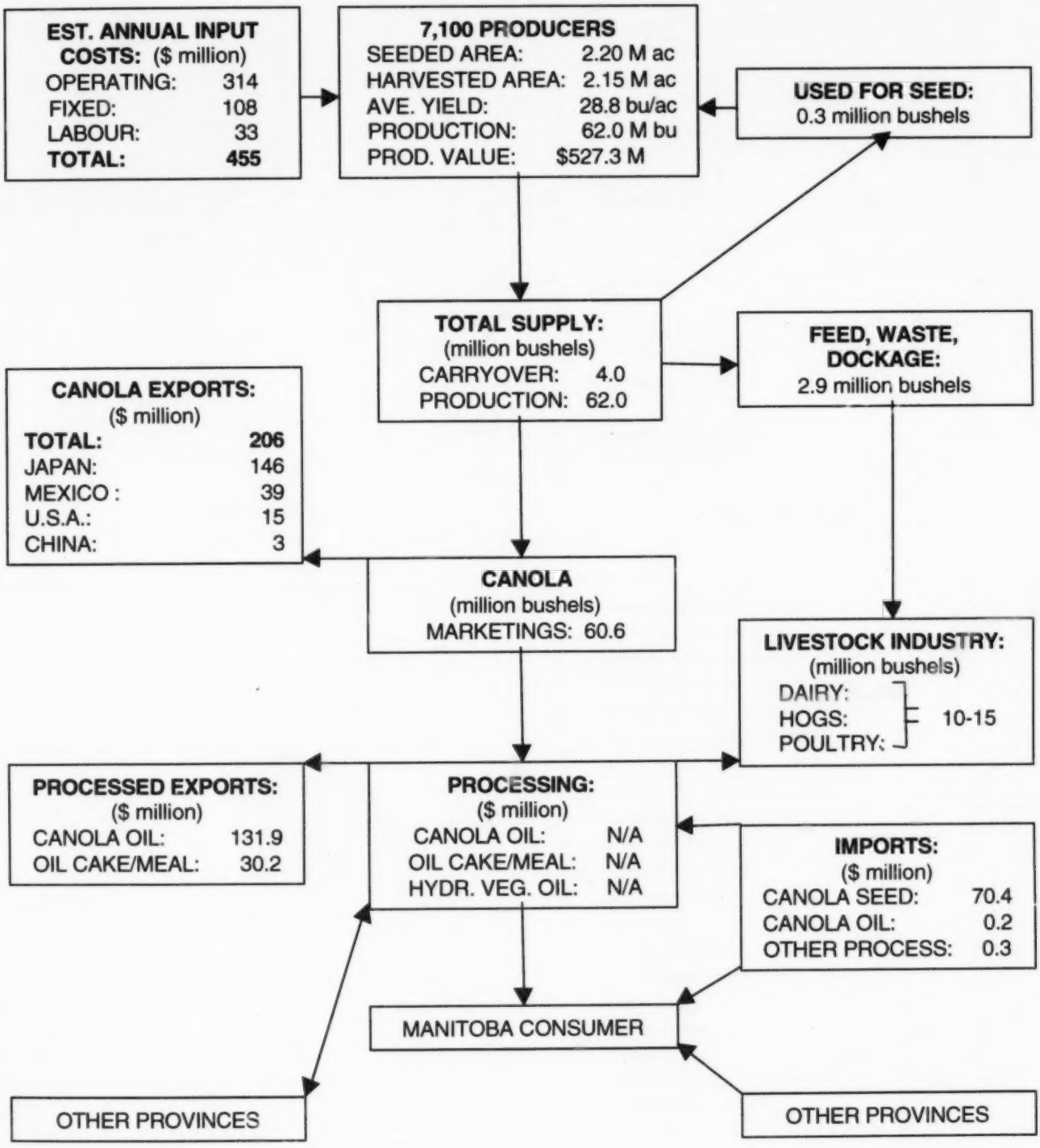
Manitoba exported rapeseed and canola seed valued at $205.5 million in 2002, 72.9 percent of the $281.7 million exported in 2001. Rapeseed exports were to the U.S.A. Approximately 99 per cent of the canola exports went to Japan, Mexico, the U.S.A., and China. Total canola and rapeseed oil exports fell from $239.1 million in 1999 to $109.6 million in 2001, rising to $131.9 in 2002. Exports of canola meal were valued at $25.3 million in 2001 and $30.2 million in 2002.

Manitoba processors accept deliveries of U.S. canola seed. Total seed imports amounted to $46.5 million in 2001 and $70.4 million in 2002.

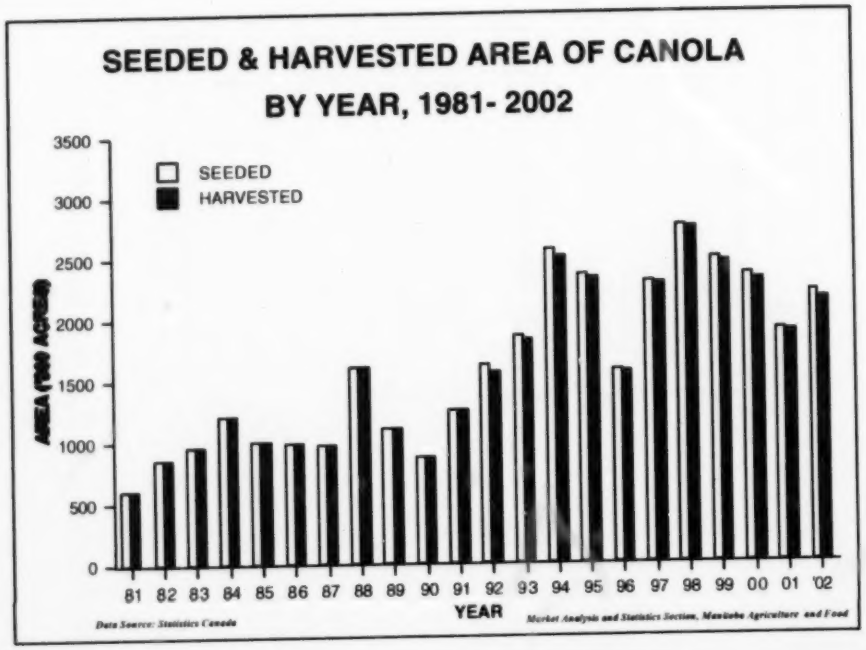
CANOLA AND CANOLA PRODUCTS SECTOR

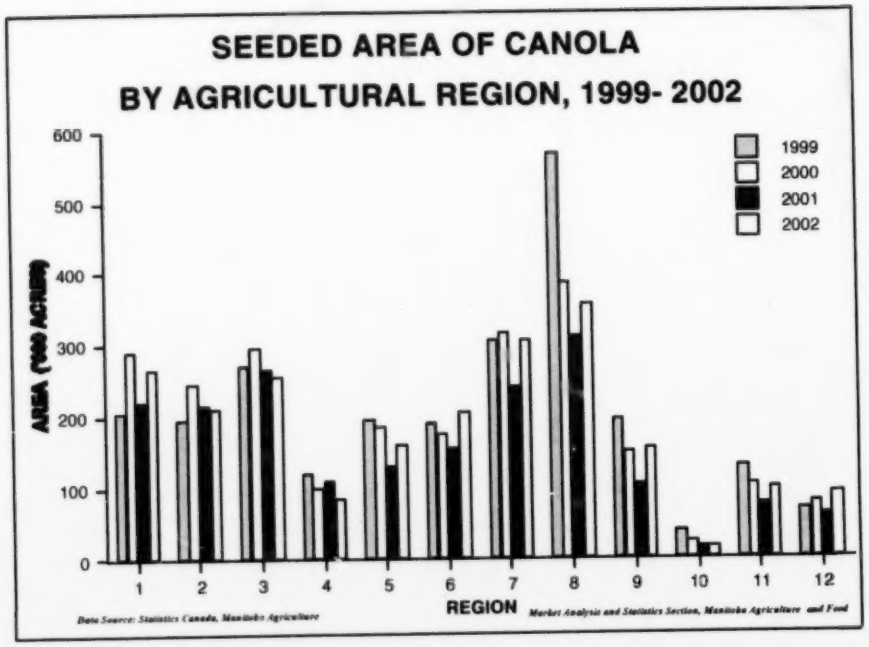
	1999[R]	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	8,000	7,500	6,413	7,100	111
CROP PRODUCTION:					
Seeded Area ('000 acres):	2,480	2,350	1,900	2,200	116
% of Canada	17.9	19.4	20.1	22.9	
Harvested Area ('000 acres):	2,460	2,310	1,880	2,150	114
Yield/acre (bushels):	30.6	28.4	26.3	28.8	110
Production (million bu):	75.3	65.6	49.5	62.0	125
% of Canada	19.4	20.9	22.8	39.3	
Average Price ($/bu):	5.22	5.44	7.03	8.50	121
VALUE OF PRODUCTION ($ million):	392.8	357.1	348.0	527.3	152
ESTIMATED TOTAL EXPENSES: ($/acre)	221.31	217.91	222.05	206.83	93
CASH RECEIPTS ($ million):	351.7	324.3	363.9	483.6	133
% of Canada	19.9	20.8	21.1	29.6	
EST. AV. QUALITY OF CANOLA CROP:	99/2000	2000/01	2001/02	2002/03	
1Canada - Oil content (%)	42.3	42.0	42.6	42.5	
1Canada - Protein content (%)	21.7	22.0	22.1	23.0	
2Canada - Oil content (%)	41.3	41.3	42.2	41.4	
2Canada - Protein content (%)	22.5	22.6	22.8	23.8	
3Canada - Oil content (%)	42.1	41.5	41.3	41.7	
3Canada - Protein content (%)	21.7	22.4	23.4	24.2	
CROP DISPOSITION (million bu):	78.8	76.6	54.8	66.0	120
Marketings	62.5	69.9	47.3	60.6	128
Seed Requirements	0.3	0.3	0.3	0.3	100
Feed, Waste & Dockage	5.0	1.7	3.3	2.9	88
Carryover, July 31	11.0	4.9	4.0	2.2	55
EXPORTS ($ million):	625.4	392.9	416.6	367.6	88
Unprocessed	345.9	254.2	281.7	205.5	73
Processed	279.4	138.7	134.8	162.1	120
IMPORTS ($ million):	43.3	30.8	46.7	70.9	152
Unprocessed	43.2	30.4	46.5	70.4	151
Processed	0.1	0.4	0.1	0.5	338

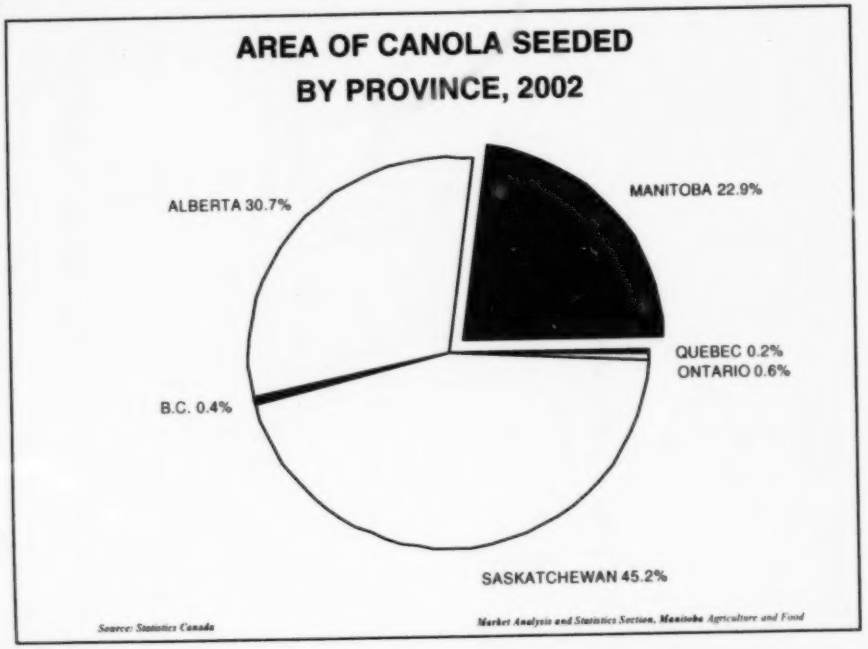
CANOLA INDUSTRY CHART, 2002

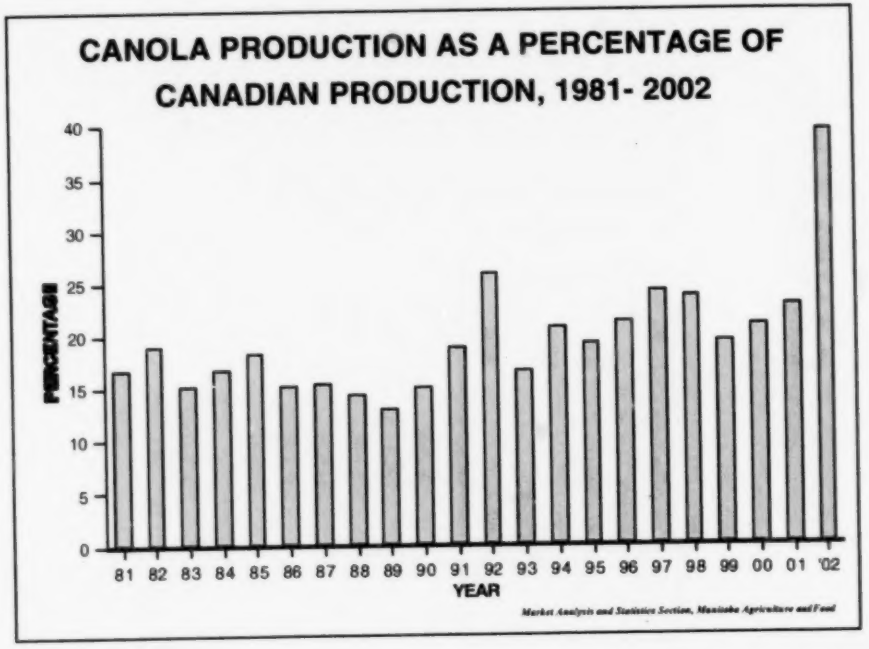


DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

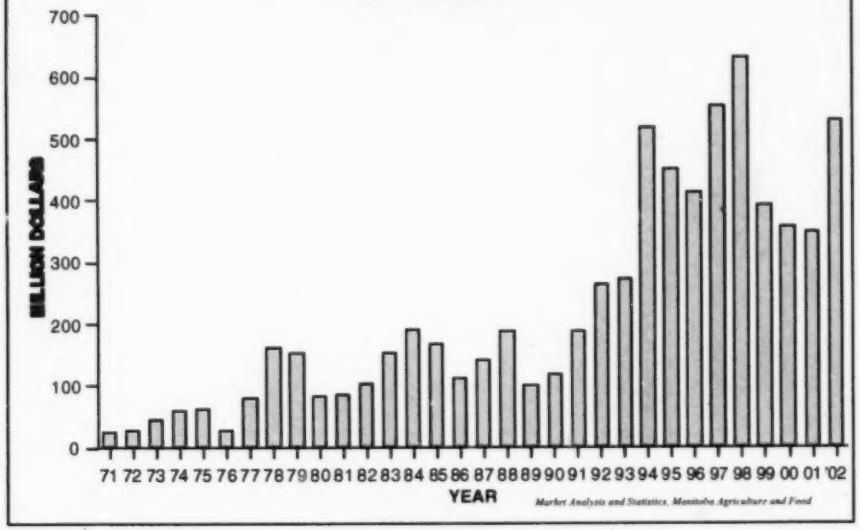

SEEDED & HARVESTED AREA OF CANOLA
BY YEAR, 1981- 2002
SEEDED
HARVESTED
AREA ('000 ACRES)
3500
3000
2500
2000
1500
1000
500
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 '02
YEAR
Data Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


SEEDED AREA OF CANOLA
BY AGRICULTURAL REGION, 1999- 2002
1999
2000
2001
2002
AREA ('000 ACRES)
600
500
400
300
200
100
0
1 2 3 4 5 6 7 8 9 10 11 12
REGION
Data Source: Statistics Canada, Manitoba Agriculture
Market Analysis and Statistics Section, Manitoba Agriculture and Food

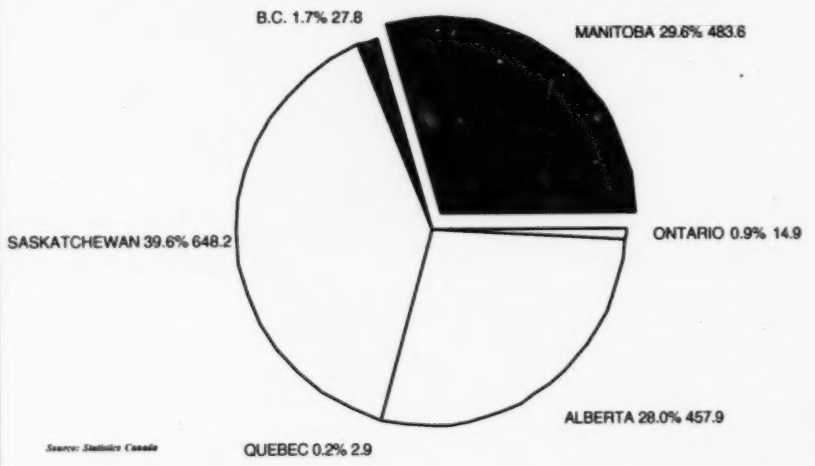

AREA OF CANOLA SEEDED
BY PROVINCE, 2002
ALBERTA 30.7%
MANITOBA 22.9%
QUEBEC 0.2%
ONTARIO 0.6%
B.C. 0.4%
SASKATCHEWAN 45.2%
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


CANOLA PRODUCTION AS A PERCENTAGE OF
CANADIAN PRODUCTION, 1981- 2002
PERCENTAGE
40
35
30
25
20
15
10
5
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 '02
YEAR
Market Analysis and Statistics Section, Manitoba Agriculture and Food

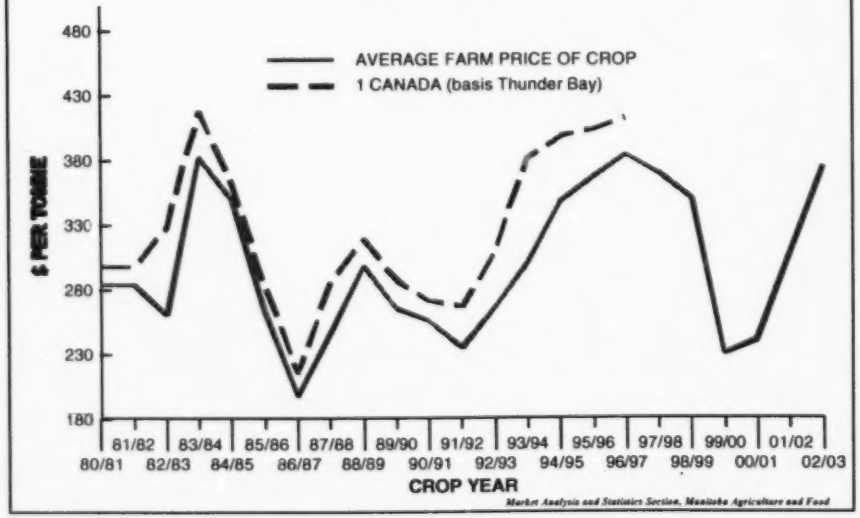
FARM VALUE OF CANOLA PRODUCTION
1971-2002



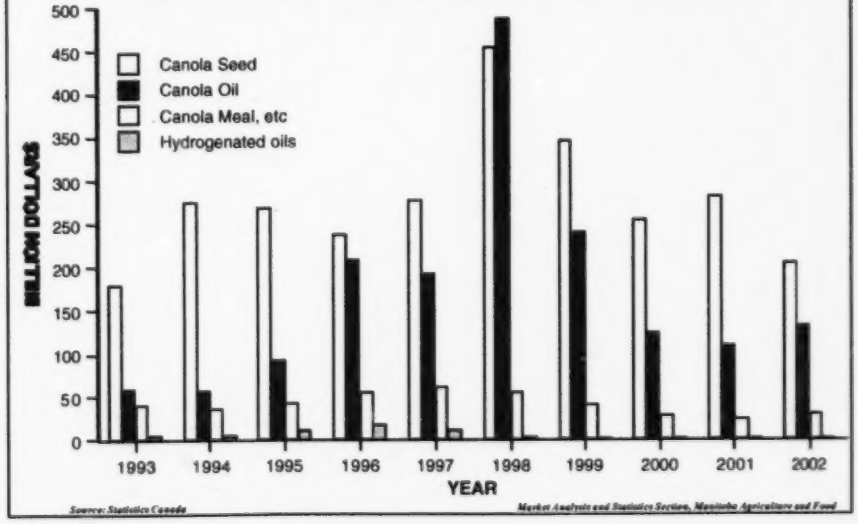
FARM CASH RECEIPTS FROM CANOLA
BY PROVINCE, 2002

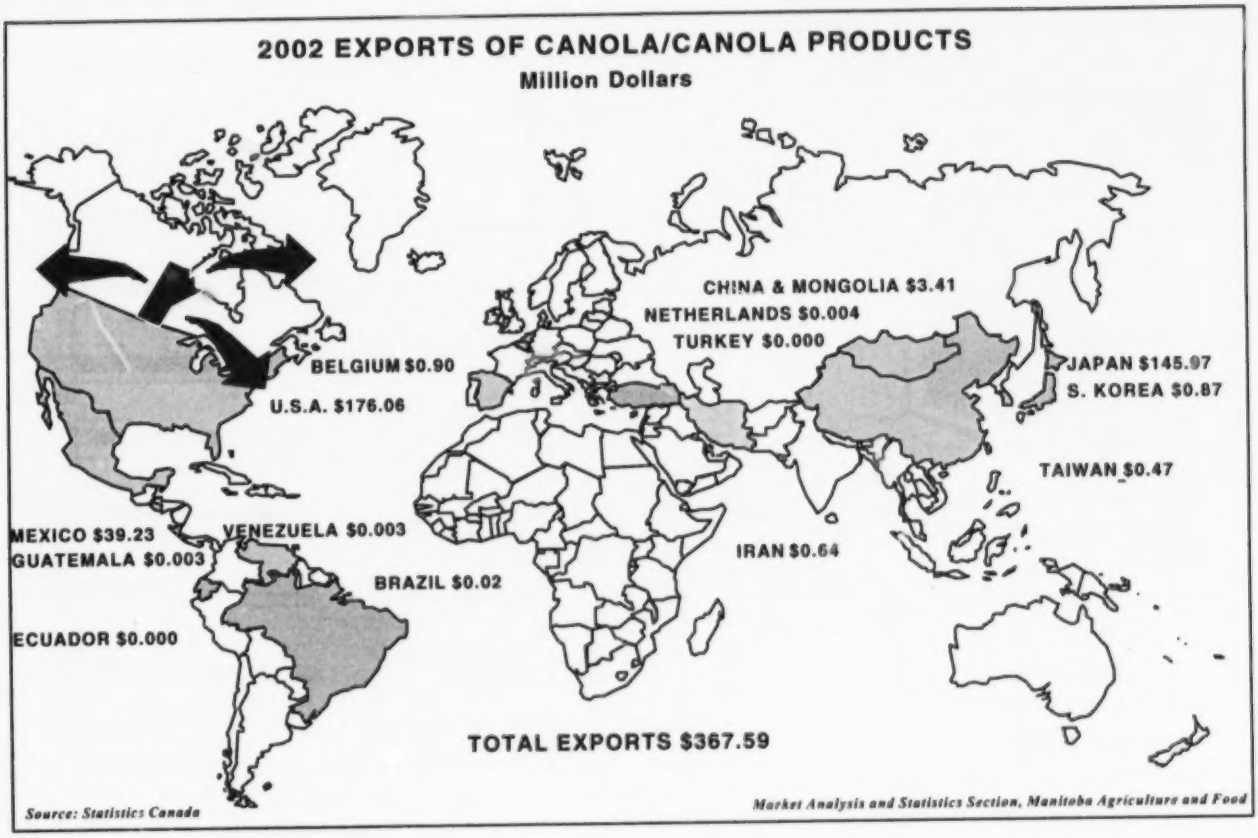


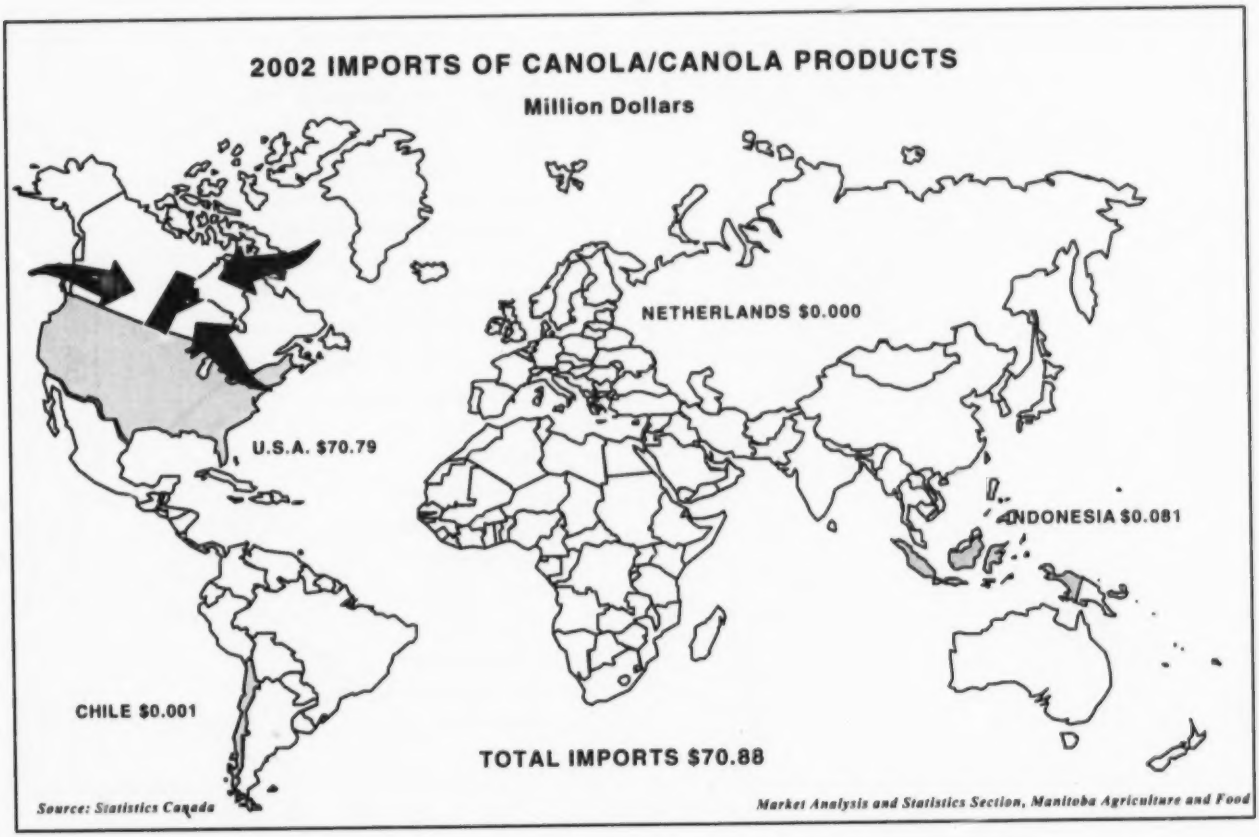
CANOLA PRICES
1981- 2002



MANITOBA CANOLA AND CANOLA PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993-2002




2002 EXPORTS OF CANOLA/CANOLA PRODUCTS
Million Dollars
CHINA & MONGOLIA $3.41
NETHERLANDS $0.004
TURKEY $0.000
BELGIUM $0.90
U.S.A. $176.06
JAPAN $145.97
S. KOREA $0.87
TAIWAN $0.47
MEXICO $39.23
GUATEMALA $0.003
VENEZUELA $0.003
BRAZIL $0.02
IRAN $0.64
ECUADOR $0.000
TOTAL EXPORTS $367.59
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF CANOLA/CANOLA PRODUCTS
Million Dollars
NETHERLANDS $0.000
U.S.A. $70.79
INDONESIA $0.081
CHILE $0.001
TOTAL IMPORTS $70.88
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

FLAXSEED SECTOR

FLAXSEED SECTOR PROFILE

Production:

One of three provinces producing flaxseed, Manitoba has been growing the crop since the late 1800s. Flaxseed only became a significant alternative to grains in the years following World War II when as much as one million acres were planted. The seeded area peaked in 1965 at 1.35 million acres and has fluctuated over the past thirty years from a low of 370,000 acres in 1992 to a high of 1.25 million acres in 1979. Low prices in prior years led to only 430,000 acres of flaxseed being planted and 425,000 acres harvested in 2002.

Flaxseed production of 8.45 million bushels in 2002 was 7.6 percent higher than in 2001, well below the 1985 record of 22 million bushels. Manitoba contributed 31.6 percent of the Canadian flaxseed crop in 2002, compared to 62.4 percent in 1992, when Manitoba was the largest producing province in Canada. Yields averaged 19.9 bushels per acre in 2002, above the 2001 yield of 18.0 bushels per acre and 10-year average of 20.9 bushels per acre. The largest average yield on record was 25.0 bushels per acre in 1996. Manitoba's cooler climate tends to produce a high-quality flax product with a high linolenic content.

The average price of flaxseed rose from $4.00 per bushel for the 1991 crop to $8.51 for the 1996 crop, but declined in each of the next three years to $5.18 per bushel for the 1999 crop. The price increased to $9.75 per bushel in 2002, 23 percent above 2001, and just above the previous record of $9.56 per bushel in 1974. The value of the flaxseed crop rose by 32.5 percent from $62.2 million in 2001 to $82.4 million in 2002. The value of the flaxseed crop peaked in 1985 at $148 million.

Estimated farm expenses for flaxseed production, including operating, labour and fixed costs, rose yearly from $140.03 per acre in 1992 to $165.9 in 1999, fell in 2000 to $164.4 per acre, increased again to $172.3 per acre in 2001, but declined to $159.35 per acre in 2002.

Marketing:

Annual cash receipts from flaxseed marketings were at a record high of $135.5 million in 1997, dropped to $42.6 million in 1999, but rose to $50.2 million in 2001 and to $81.4 million in 2002. Manitoba's contribution to Canadian flaxseed receipts fell from 46.1 percent in 1997 to 34.3 percent in 2002.

About 90 percent of the brown or general-purpose flaxseed plantings were newer, higher-yielding varieties. Brown flaxseed averaged about 45.7 percent oil and 23.7 percent protein (44.3 percent and 23.4 percent in 2001), with a particularly high quality oil containing 58.1 percent linolenic acid (56.4 percent in 2001). Approximately 11 percent of the total 2002 flaxseed plantings were yellow-seeded linola or solin varieties.

Flaxseed marketings decreased from 14.5 million bushels in 1997/98 to 6.9 million bushels in 2002/03. Flaxseed carryover fell from 2.2 million bushels at the end of the 1999/2000 crop year to 0.6 million bushels on July 31, 2003.

Processing:

Manitoba grows high-quality, high-linolenic-content flaxseed, which is favourable both for drying oils (polymerization) and health foods (omega-3). The province also grows a small area of low-linolenic, yellow-seeded flaxseed (linola or solin) for oil, or for confectionery use in competition with sesame seed, mainly in Europe.

Flaxseed is processed into a variety of products from breads to linseed oil for paints and concrete preservation to linoleum. Some processing has occurred at the CanAmera

plants in Altona and Harrowby. Pizzey's Milling and Baking Co. at Angusville produces ground flax products, such as breads, muffins and pancake mixes. Prairie Flax Products at McGregor also produces milled flax for home and commercial use.

Straw fibre, tow and waste generally are used for industrial purposes. In 2001 and 2002, 100,000 tons of flax straw, valued at about $0.5 million in both years, was used for fine papers for cigarettes and currency.

Trade:

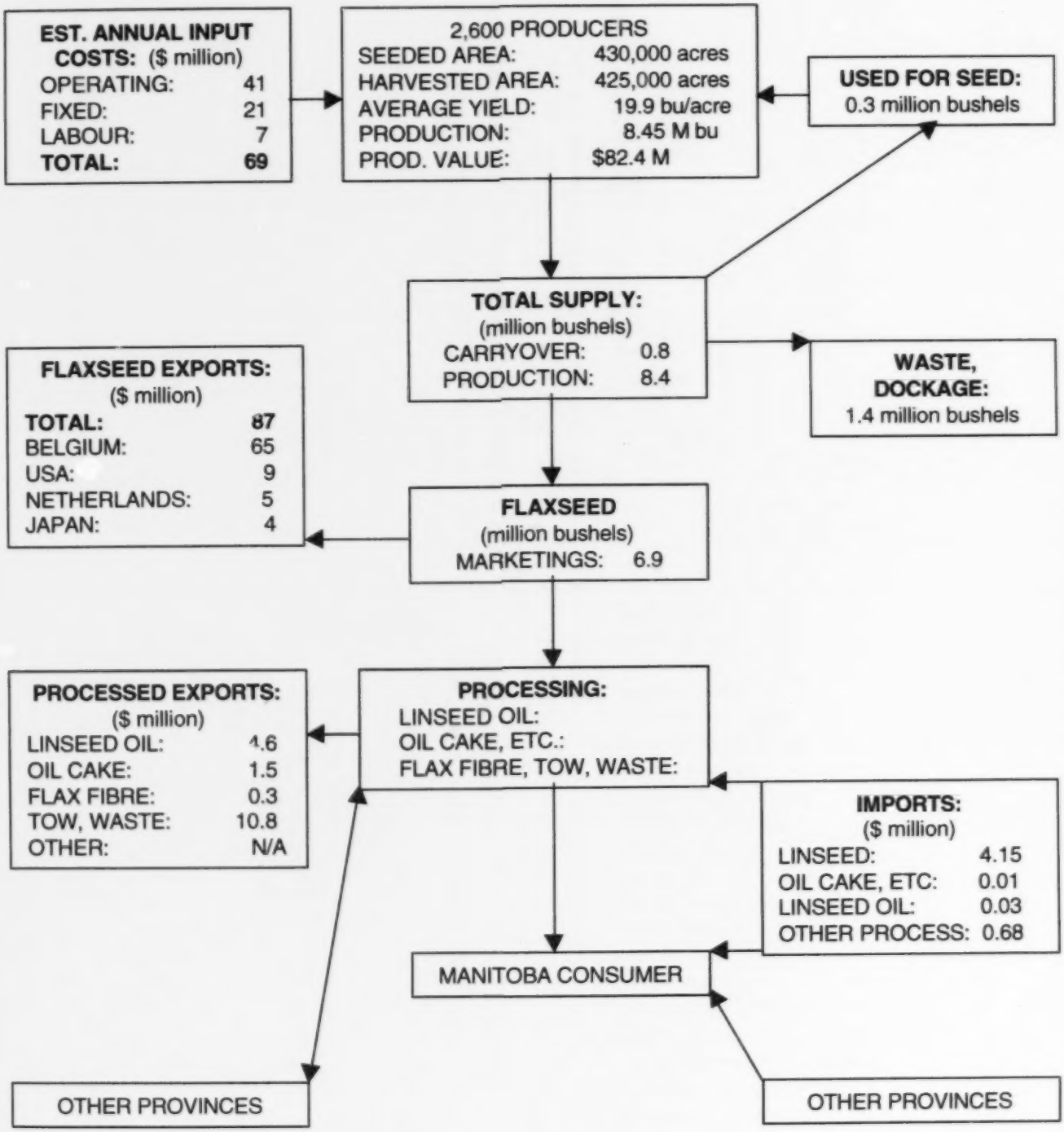
Manitoba exported $104.7 million in flaxseed and flax products in 2002, 14.9 percent more than in 2001. Unprocessed flaxseed, valued at $87.5 million in 2002, was exported to 37 countries, such as Belgium, U.S.A, the Netherlands and Japan. Linseed oil exports totalled $2.6 million in 2001 and $4.6 million in 2002, while oil-cake exports for the two years were valued at $1.0 million and $1.5 million respectively. Exports of flax fibre, tow and waste totalled $21.1 million in 2001 and $11.1 million in 2002.

Flaxseed imports increased from $0.47 million in 1999 to $5.3 million in 2001, and $4.1 million in 2002. Imports of linseed oil, oil cake, fibre, etc. respectively, were valued at $0.031, $0.008, and $0.68 million in 2002.

FLAXSEED AND FLAXSEED PRODUCTS SECTOR

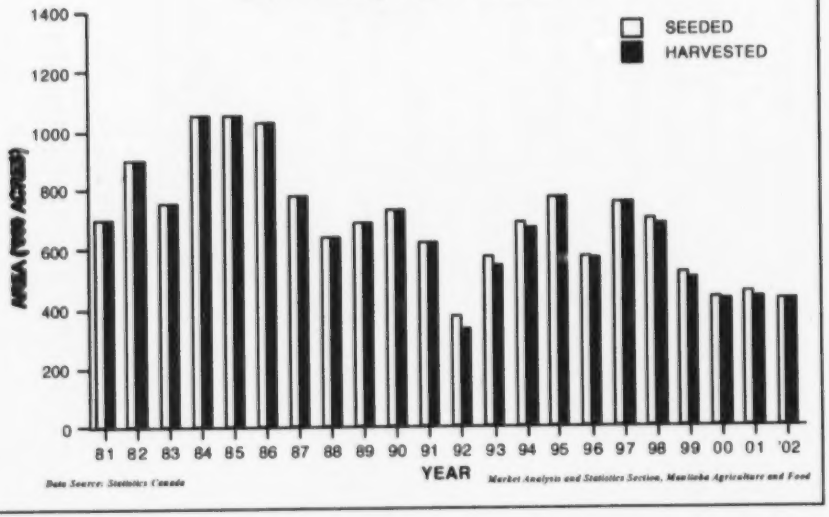
	1999	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	4,000	3,000	2,799	2,600	93
CROP PRODUCTION:					
Seeded Area ('000 acres):	520	435	450	430	96
% of Canada	26.0	29.6	27.1	25.1	
Harvested Area ('000 acres):	500	430	435	425	98
Yield/acre (bushels):	21.4	18.8	18.0	19.9	111
Production (million bu):	10.7	8.1	7.9	8.4	108
% of Canada	25.9	29.7	27.9	31.6	
Average Price ($/bu):	5.18	5.99	7.93	9.75	123
VALUE OF PRODUCTION ($ million):	55.5	48.6	62.2	82.4	132
ESTIMATED TOTAL EXPENSES ($/acre):	165.93	164.35	172.33	159.35	92
CASH RECEIPTS ($ million):	42.6	47.1	50.2	81.4	162
% of Canada	30.7	31.7	30.8	34.3	
EST. AV. QUALITY OF FLAXSEED CROP:	**99/2000**	**2000/01**	**2001/02**	**2002/03**	
1Canada Flaxseed Varieties:					
- Oil content (%)	43.7	43.7	44.3	45.7	
- Protein content (%)	22.4	22.4	23.4	23.7	
- Fatty acid content of oil (%) -Linoleic	14.3	14.3	15.0	14.9	
- Fatty acid content of oil (%) -Linolenic	60.4	57.5	56.4	58.1	
1Canada Solin (Low-Linolenic) Varieties:					
- Oil content (%)	43.3	44.1	44.4	46.6	
- Protein content (%)	22.0	23.2	22.9	22.5	
- Fatty acid content of oil (%) -Linoleic	72.3	71.0	69.7	72.5	
- Fatty acid content of oil (%) -Linolenic	2.2	2.0	1.9	2.2	
CROP DISPOSITION (million bu):	11.7	10.3	9.2	9.2	100
Marketings	8.3	7.7	7.9	6.9	87
Seed Requirements	0.3	0.3	0.3	0.3	100
Feed, Waste & Dockage	0.9	0.9	0.2	1.4	700
Carryover, July 31	2.2	1.4	0.8	0.6	75
EXPORTS ($ million):	106.0	77.0	91.1	104.7	115
Unprocessed	73.2	48.7	66.4	87.5	132
Processed	32.9	28.3	24.7	17.1	69
IMPORTS ($ thousand):	505.8	2,786.6	6,112.1	4,872.2	80
Unprocessed	471.4	2,319.1	5,315.6	4,148.5	78
Processed	34.4	467.6	796.6	723.8	91

FLAXSEED INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

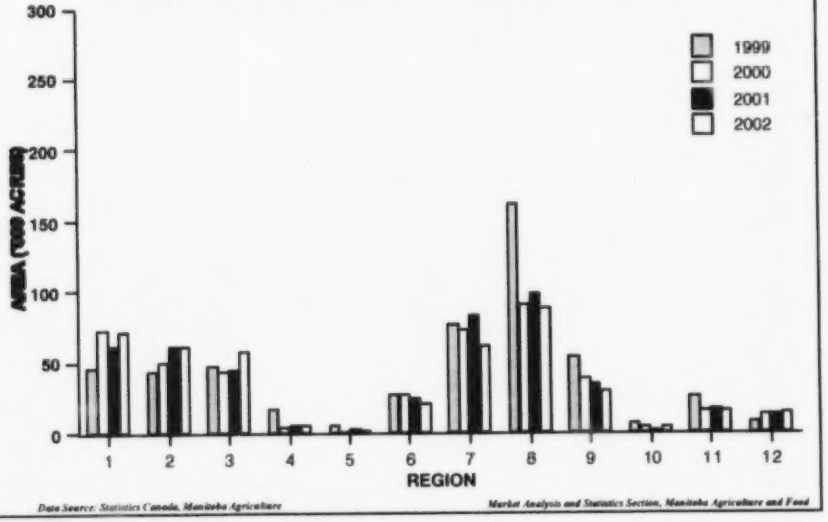
SEEDED & HARVESTED AREA OF FLAXSEED BY YEAR, 1981- 2002



Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

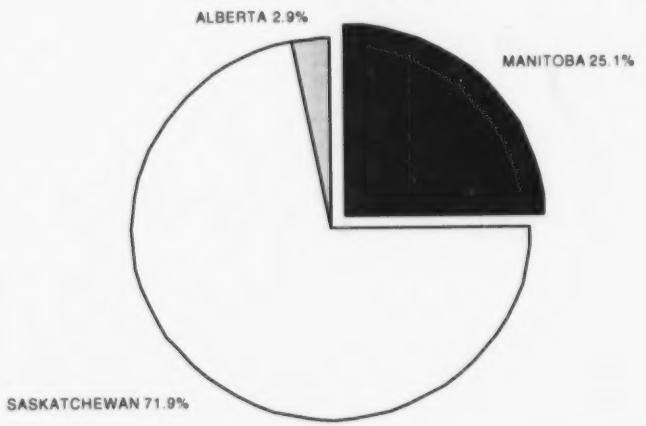
SEEDED AREA OF FLAXSEED BY AGRICULTURAL REGION, 1999- 2002



Data Source: Statistics Canada, Manitoba Agriculture

Market Analysis and Statistics Section, Manitoba Agriculture and Food

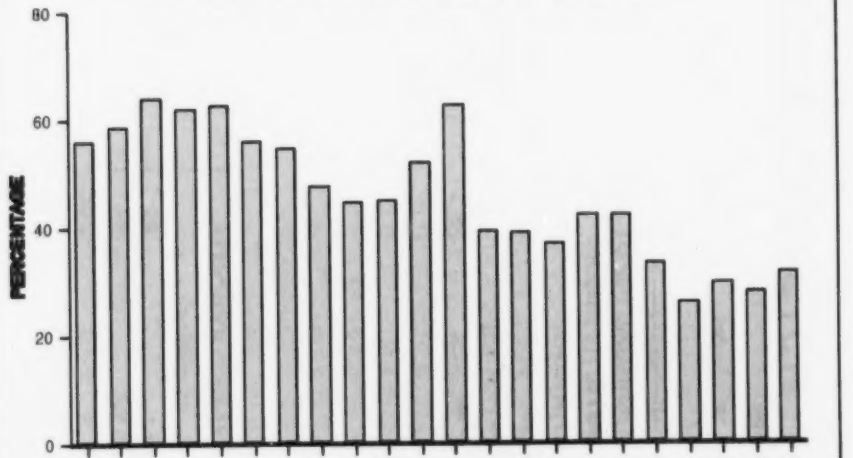
AREA OF FLAXSEED SEEDED BY PROVINCE, 2002



Source: Statistics Canada

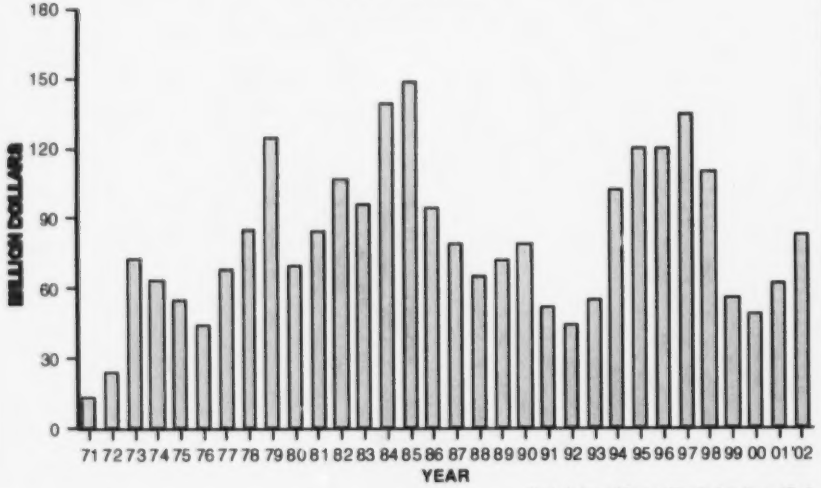
Market Analysis and Statistics Section, Manitoba Agriculture and Food

FLAXSEED PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002



Market Analysis and Statistics Section, Manitoba Agriculture and Food

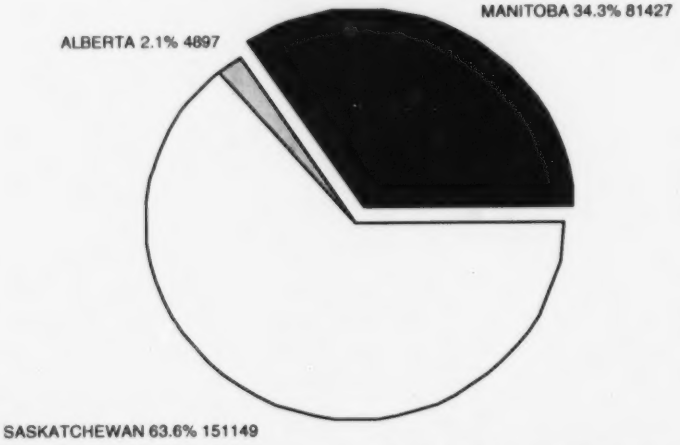
FARM VALUE OF FLAXSEED PRODUCTION
1971- 2002



Market Analysis and Statistics, Manitoba Agriculture and Food

FARM CASH RECEIPTS FROM FLAXSEED BY PROVINCE, 2002

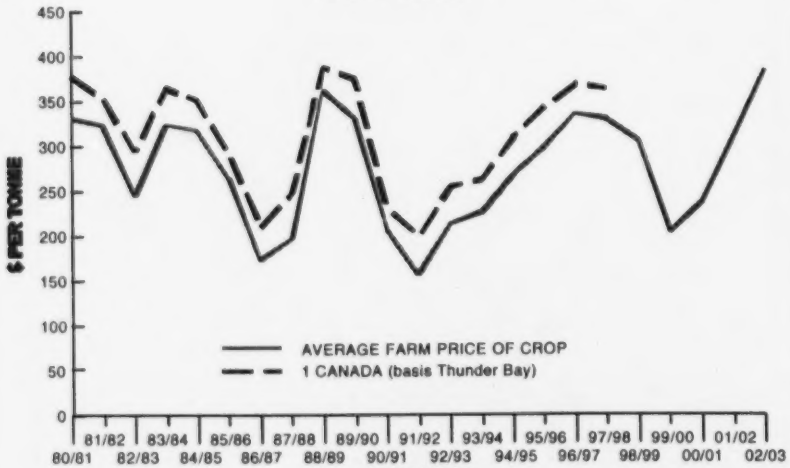
(THOUSAND DOLLARS)



Source: Statistics Canada

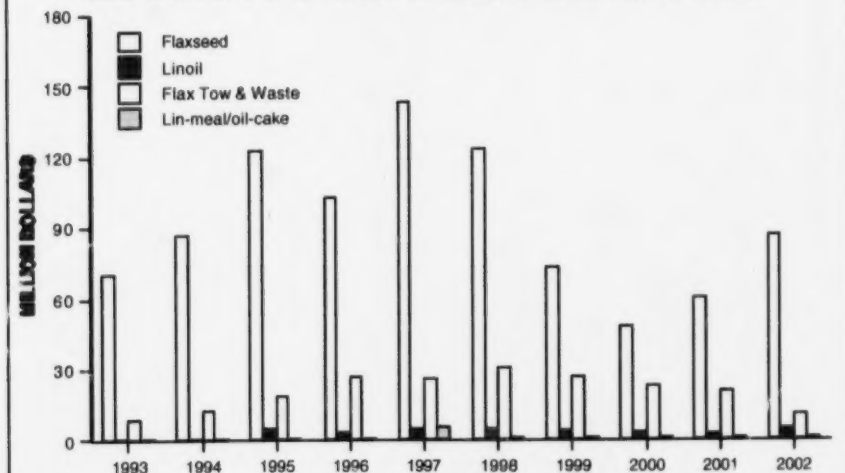
Market Analysis and Statistics Section, Manitoba Agriculture and Food

FLAXSEED PRICES
1981- 2002



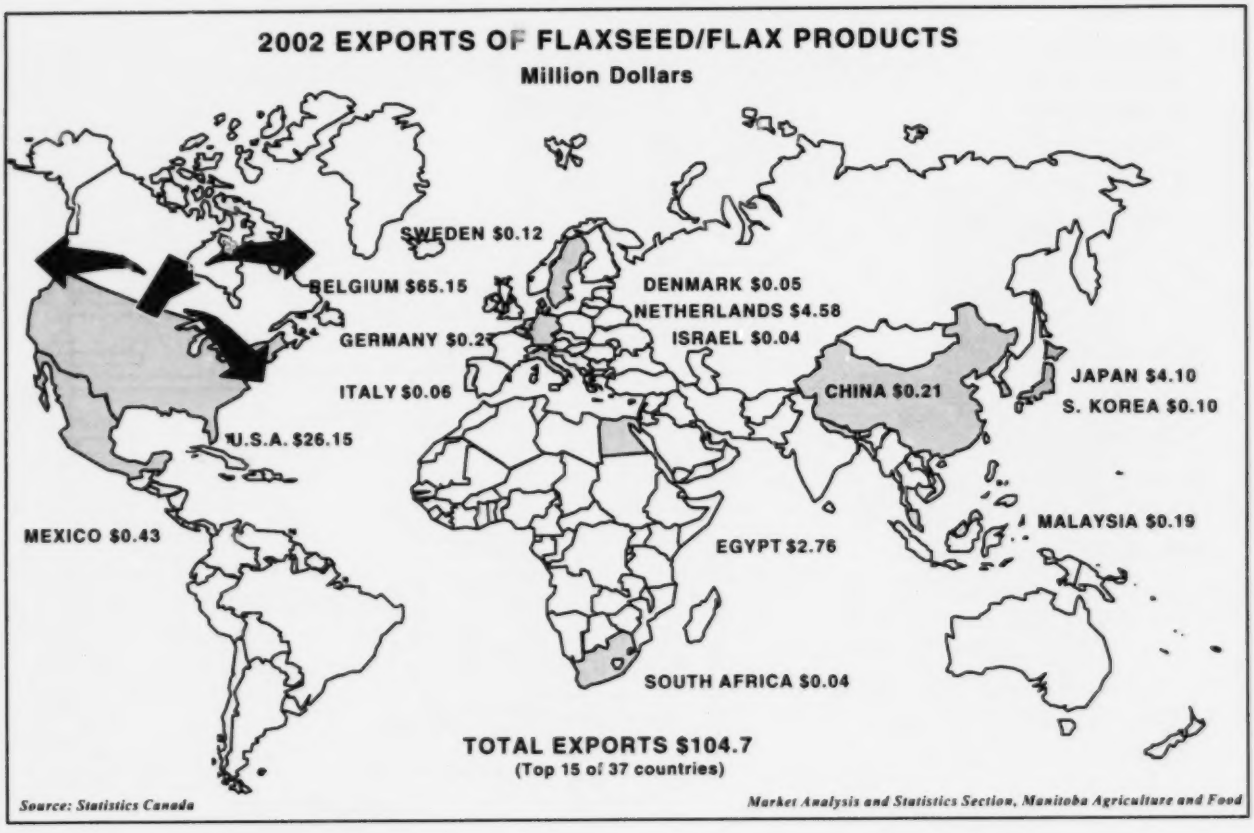
Market Analysis and Statistics Section, Manitoba Agriculture and Food

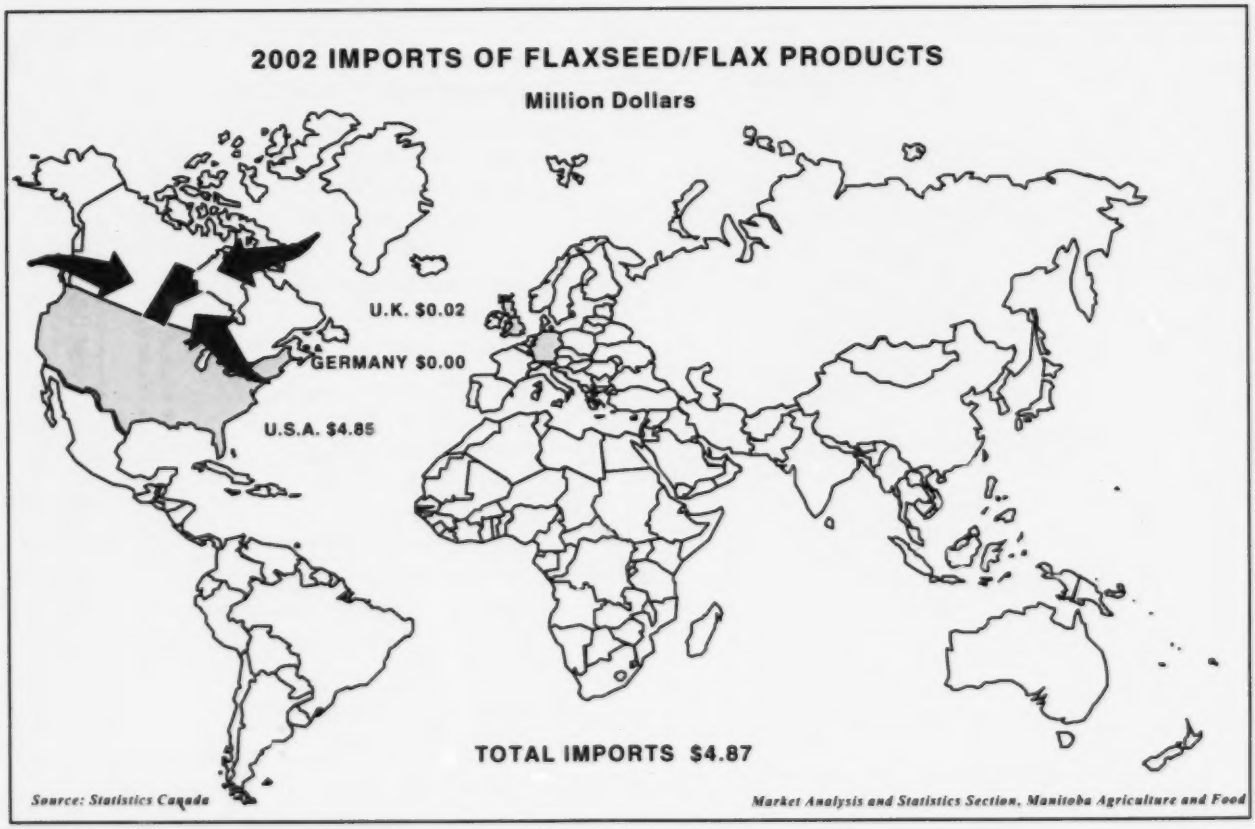
MANITOBA FLAXSEED AND FLAXSEED PRODUCT EXPORTS TO OTHER COUNTRIES, 1993- 2002



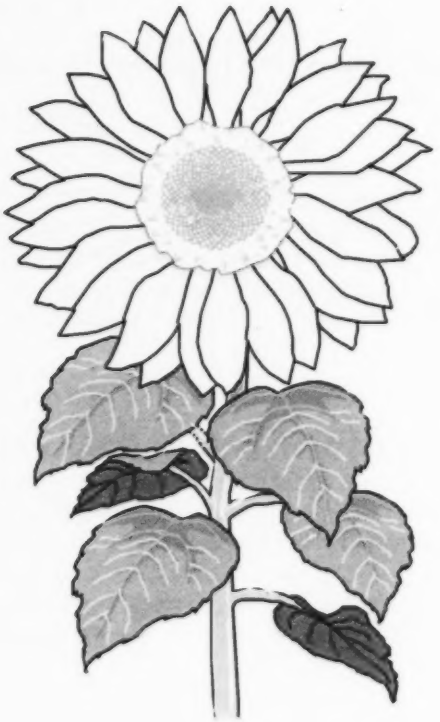
Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 EXPORTS OF FLAXSEED/FLAX PRODUCTS
Million Dollars
SWEDEN $0.12
BELGIUM $65.15
DENMARK $0.05
NETHERLANDS $4.58
GERMANY $0.2
ISRAEL $0.04
ITALY $0.06
CHINA $0.21
JAPAN $4.10
S. KOREA $0.10
U.S.A. $26.15
MEXICO $0.43
MALAYSIA $0.19
EGYPT $2.76
SOUTH AFRICA $0.04
TOTAL EXPORTS $104.7
(Top 15 of 37 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF FLAXSEED/FLAX PRODUCTS
Million Dollars
U.K. $0.02
GERMANY $0.00
U.S.A. $4.85
TOTAL IMPORTS $4.87
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

SUNFLOWER SEED SECTOR



SUNFLOWER SEED SECTOR PROFILE

Production:

The largest producer of the three Prairie Provinces, Manitoba has been growing sunflower seed since the early 1940s. Less than 100,000 acres were planted until 1971, when the area rose to 155,000 acres from 65,000 acres a year earlier. The seeded area peaked in 1979 at 380,000 acres, but dropped to a 15-year low of 57,000 acres in 1986 as lower prices and problems due to weather, disease and insects discouraged producers from growing sunflowers. Prices and varieties improved and the seeded area increased in the early 1990s making sunflowers a viable alternative to grains in the southern part of the province. In 2002, 210,000 acres of sunflowers were planted and 200,000 acres harvested to produce 300 million pounds of seed, 46.6 percent more than the 2001 crop, but only 65.2 percent of the record 1979 crop of 460 million pounds. Manitoba produced 86.5 percent of the Canadian sunflower seed crop in 2002, down from a high of 96 percent in 1981.

Yields averaged 1,500 pounds per acre in 2002 compared to a 10-year average of 1,384 pounds per acre and 1,462 pounds per acre in 2001. The largest average yield on record was 1,586 pounds per acre in 1990.

The average price of sunflower seed rose from $0.10 per pound for the 1991 crop to $0.175 per pound for the 1998 crop, but decreased in 1999 and 2000 to $0.14 per pound. The 2002 average price of $0.22 per pound was a new record, compared to the previous record $0.205 per pound in 1974. The total value of the Manitoba sunflower seed crop in 2002 was a record $65.3 million, an increase of 84.2 percent from $35.4 million in 2001.

Estimated farm expenses for sunflower seed production, including operating, labour and fixed costs, decreased from $218.61 per acre in 1999 to $207.20 per acre in 2000, but rose to $230.19 per acre in 2002.

Marketing:

Annual cash receipts from sunflower seed sales rose from $12.4 million in 1997 to $42.2 million in 2002. Manitoba's share of Canadian sunflower seed receipts fell from 89.9 percent in 1992 to 67.0 percent in 1996, but rose to more than 88 percent in 2001 and 2002. In 2002, about 82 percent of sunflower seed production was of larger seed types used for confectionery or bird feed with the remainder comprised of oil types for crushing. This was a reversal of historic patterns when oil was the major product.

Processing:

Sunflower seeds are processed into oil, roasted and salted or baked into bread products for human consumption. The residual oil-cake or high-protein meal is used for animal feed. Crushing has occurred periodically at the CanAmera plant in Altona. Companies, such as Superior Harvest Foods and Sunny Day Products in Winkler, Nestibo Agra in Deloraine, Snow Fire Seeds in Domain and Scott Bathgate, Tasty Seeds and United Grain Growers in Winnipeg, have processed confectionery seed. Both confectionery types (15%) and oil types (85%) are cleaned and/or mixed with other seeds and bagged for bird feed.

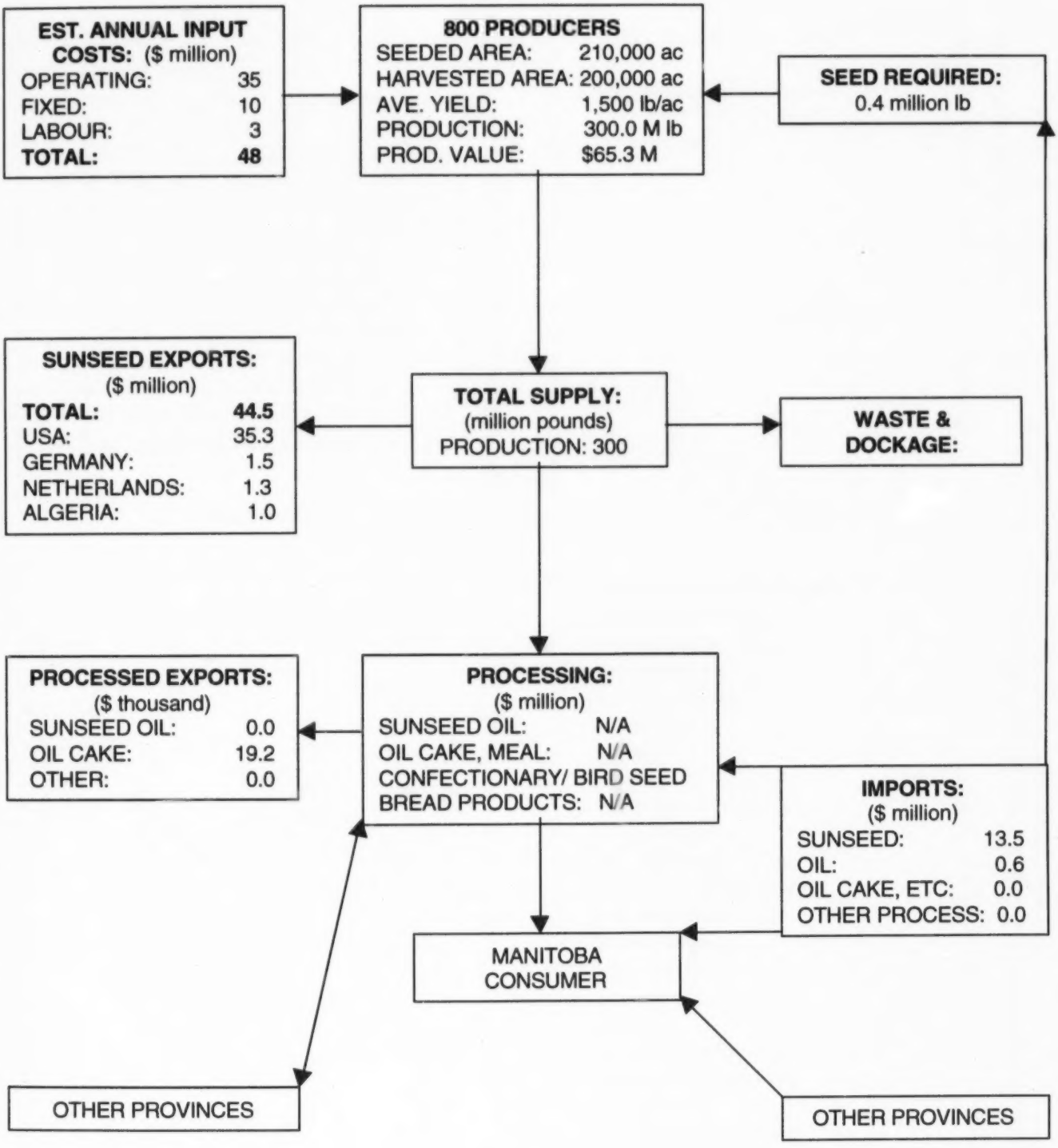
Trade:

Manitoba exported sunflower seed valued at $44.5 million in 2002 to countries such as U.S.A., Mexico and Algeria. Over 79 percent of the 2002 sunseed exports were to the U.S.A. Due to limited crushing in the province, sun-oil exports in the past six years have been limited. Oil-cake exports amounted to $39,000 in 1998 and $19,150 in 2002. Seed may be imported from the U.S.A. for planting purposes or for processing needs. In 2002, seed imports totalled $13.5 million. Imports of oil, all from the US, were $1.3 million in 2001 and $0.6 million in 2002.

SUNFLOWER AND SUNFLOWER PRODUCTS SECTOR

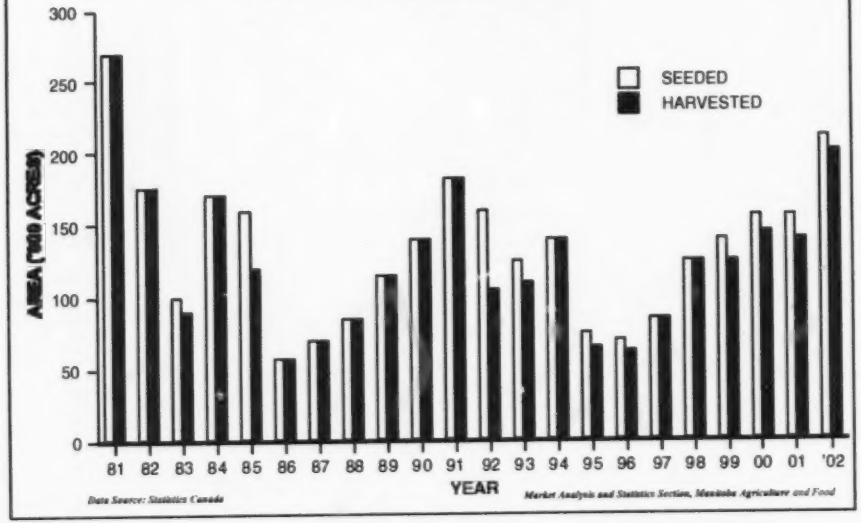
	1999	2000	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	700	700	638	800	125
CROP PRODUCTION:					
Seeded Area ('000 acres):	140	155	155	210	135
% of Canada	66.7	83.8	92.8	85.4	
Harvested Area ('000 acres):	125	145	140	200	143
Yield/acre (pounds)	1,460	1,550	1,462	1,500	103
Production (million pounds):	182.8	224.5	204.7	300.0	147
% of Canada	68.0	85.4	89.0	86.5	
Average Price ($/pound):	0.14	0.14	0.17	0.22	129
VALUE OF PRODUCTION ($ million):	25.8	31.7	35.4	65.3	184
ESTIMATED TOTAL EXPENSES: ($/acre)	218.61	207.20	229.72	230.19	100
CASH RECEIPTS ($ million):	22.2	24.3	29.2	42.2	145
% of Canada	73.3	77.7	88.1	88.5	
EXPORTS ($ million):	20.7	23.6	32.1	44.5	139
Sunflower seed	20.7	23.6	32.1	44.5	138
Processed (oil, oil-cake, bird seed, etc.)	0	0	0.01	0.02	235
IMPORTS ($ million):	10.3	7.7	9.7	14.1	145
Sunflower seed	9.4	6.8	8.4	13.5	160
Processed (oil, oil-cake)	0.8	0.9	1.3	0.6	47

SUNFLOWER SEED INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

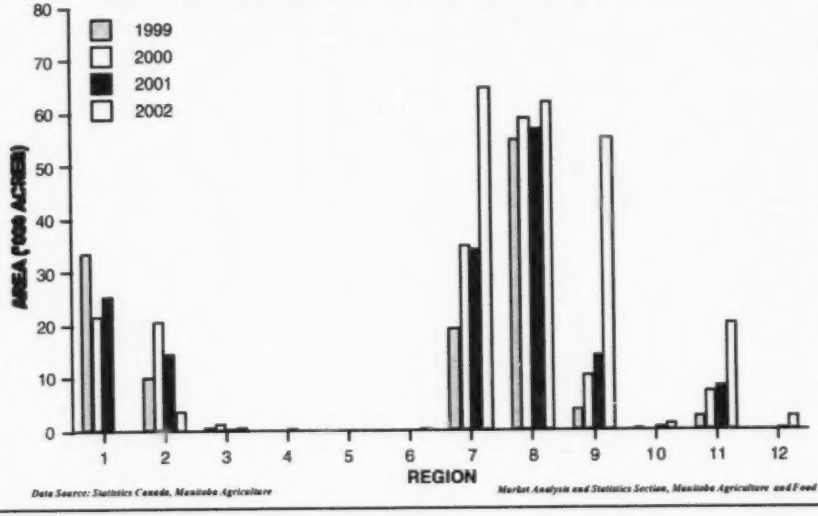
SEEDED & HARVESTED AREA OF SUNFLOWERS BY YEAR, 1981- 2002



Data Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

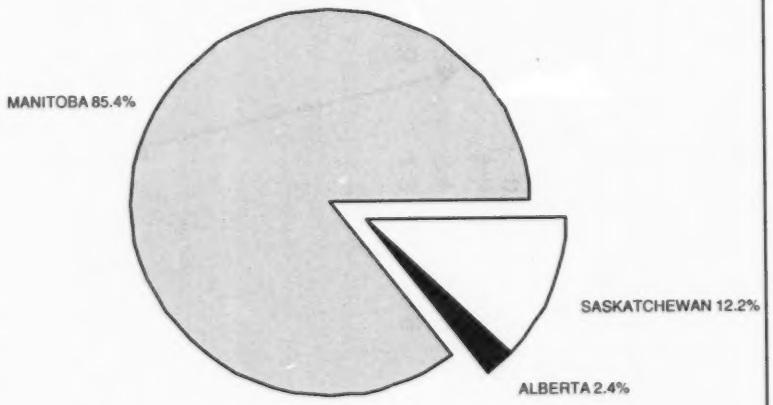
SEEDED AREA OF SUNFLOWERS BY AGRICULTURAL REGION, 1999- 2002



Data Source: Statistics Canada, Manitoba Agriculture

Market Analysis and Statistics Section, Manitoba Agriculture and Food

AREA OF SUNFLOWERS SEEDED BY PROVINCE, 2002



Source: Statistics Canada

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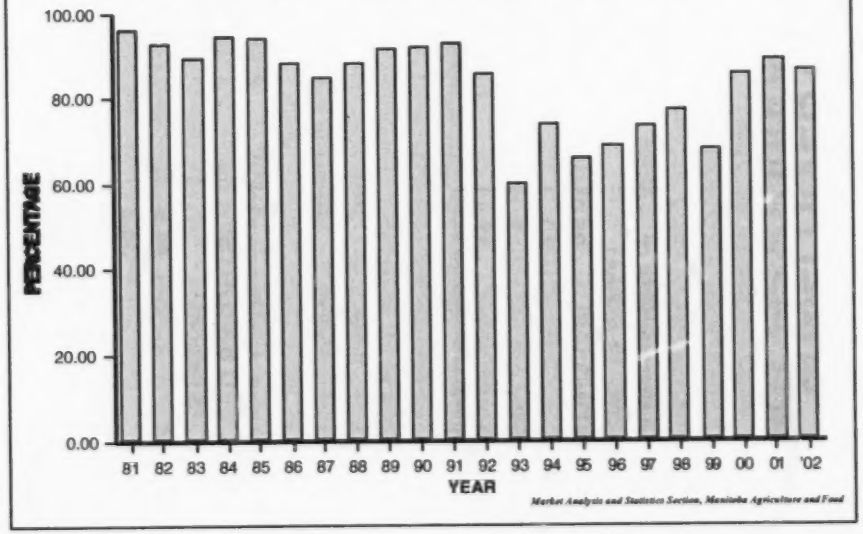
SUNFLOWER PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2002



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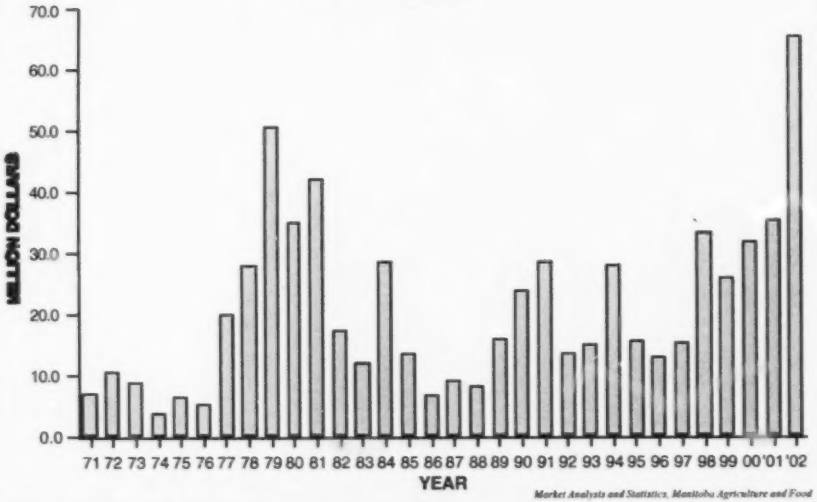
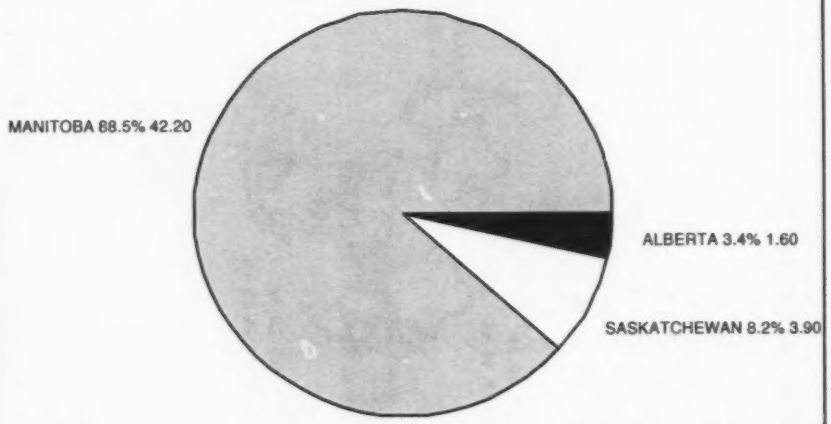
FARM VALUE OF SUNFLOWER PRODUCTION
1971- 2002



Market Analysis and Statistics, Manitoba Agriculture and Food

FARM CASH RECEIPTS FROM SUNFLOWERS
BY PROVINCE, 2002

(MILLION DOLLARS)



Source: Statistics Canada

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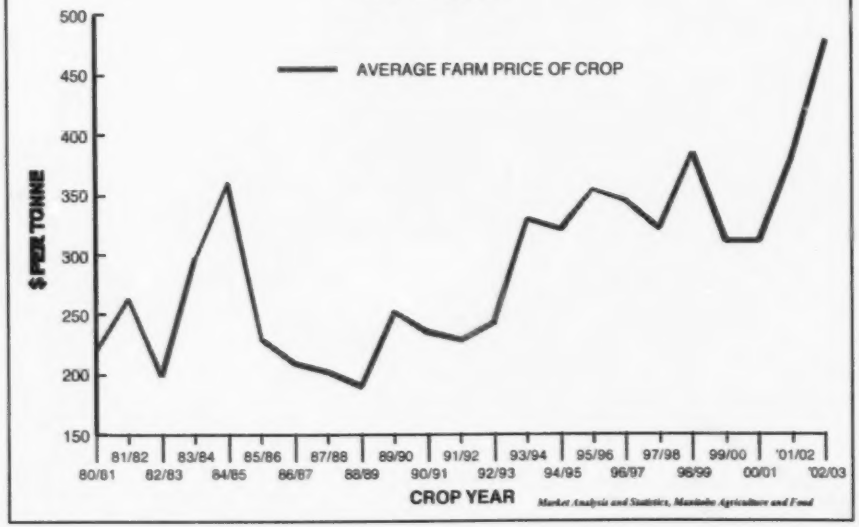
SUNFLOWER SEED PRICES
1981- 2002



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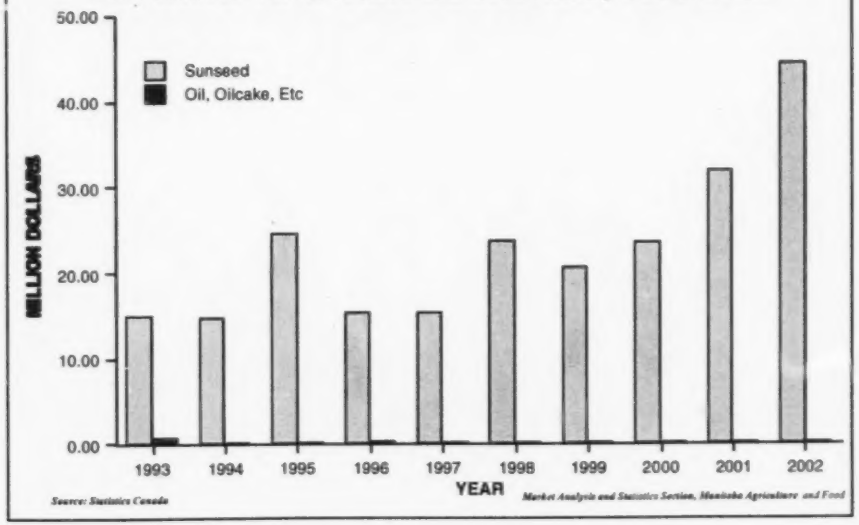
MANITOBA SUNFLOWER SEED AND PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993-2002



Source: Statistics Canada

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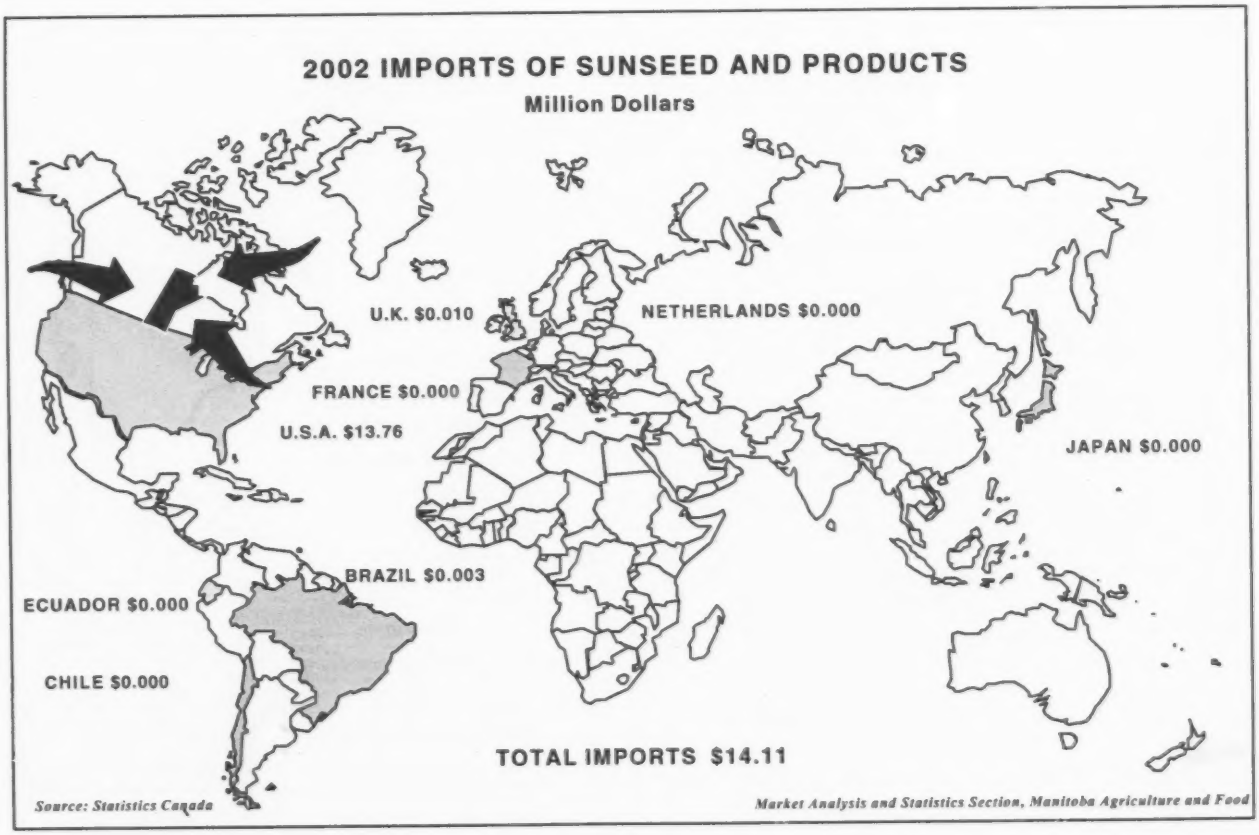
2002 EXPORTS OF SUNSEED AND PRODUCTS
Million Dollars
SWEDEN $0.10
NETHERLANDS $1.27
U.K. $0.81
DENMARK $0.36
GERMANY $1.54
BELGUIM $018
SPAIN $0.12
U.S.A. $35.32
ALGERIA $1.03
MEXICO $0.98
GUATEMALA $0.12
ROMANIA $0.26
TURKEY $0.45
JAPAN $0.61
JORDAN $0.34
SAUDI ARABIA $0.13
AUSTRALIA $0.13
TOTAL EXPORTS $44.51
(Top 17 of 39 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF SUNSEED AND PRODUCTS
Million Dollars
U.K. $0.010
NETHERLANDS $0.000
FRANCE $0.000
U.S.A. $13.76
JAPAN $0.000
BRAZIL $0.003
ECUADOR $0.000
CHILE $0.000
TOTAL IMPORTS $14.11
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

SOYBEAN SECTOR

SOYBEAN SECTOR PROFILE

Production:

Soybeans were first introduced in Manitoba in the early 1900s. Due to soybean's palatability and relatively good yields, early production was used both for human consumption and as livestock feed. In the 1950s, research at the University of Manitoba began to develop varieties more suitable to Manitoba's growing conditions. Further research and development has led to early-maturing, high-yielding soybeans with high protein levels that were better suited for Manitoba's climate. The agricultural and climatic conditions unique to the Red River Valley and Almassippi Sands regions west to the escarpment provide excellent soybean growing conditions. The warm, sunny days and the fertile, loamy clay soil found in and around this area combine to provide the ideal environment to grow high quality soybeans. Manitoba's cooler climate may produce high levels of beneficial isoflavones in soybeans, which are desirable in food and health products. About 95 percent of the soybeans grown in Manitoba are not genetically modified (non-GMO). Soybeans grown in Manitoba are used for livestock feed, human food consumption, non-GMO edible oil and protein in Europe.

There has been a significant increase in soybean area in recent years. Fewer than 1,000 acres were planted until the late 1990s. The area rose from 6,000 acres in 1997 to 18,000 acres in 1998. By 2002, 130,000 acres of soybeans were planted and harvested to produce 4.0 million bushels. Manitoba produced 4.7 percent of the Canadian soybean crop in 2002. Yields averaged 30.8 bushels per acre in 2002 compared to 27.0 bushels per acre in 2001.

The average price of soybeans rose from $6.70 per bushel for the 2001 crop to $8.10 per bushel for the 2002 crop. Producers received premium prices for non-GMO product. The total value of the Manitoba soybean crop increased from $9.02 million in 2001 to $32.33 million in 2002.

Estimated farm expenses for soybean production, including operating, labour and fixed costs, decreased from $201.14 per acre in 2001 to $192.33 per acre in 2002.

Marketing:

Annual cash receipts from soybean sales rose to an estimated $11.1 million in 2002.

While the most common soybean variety grown in recent years in Manitoba has been a dark hilum bean, the industry trend is moving toward greater acres of yellow (white) hilum beans for the higher value food market. There are a variety of marketing opportunities for Manitoba soybeans ranging from contracted production for non-GMO beans, through Cloutier Agra Seeds, NM Paterson, Horizon Agro and other grain companies, to local sales as livestock feed. Prior to shipping, soybeans are cleaned to export standard and either bagged or shipped in bulk via railcar. Soybean shipments to Japan, Asia and Europe are shipped via Identity-Preserved systems.

Processing:

Soybean crushing at a newly constructed plant at Jordan Siding, south of Carman, started up in the spring of 2003. It employs five workers and can process over 3,674 bushels or 100 tons of soybeans per day, with the intent to double throughput when needed. The Jordan Mills plant produces a high-fat meal and oil for the livestock industry. The location for the plant was chosen because of the proximity to Manitoba's burgeoning soybean production and the large livestock industry in the area.

Another company, BBF Enterprises in Letellier, roasts soybeans for hog and dairy feed.

Trade:

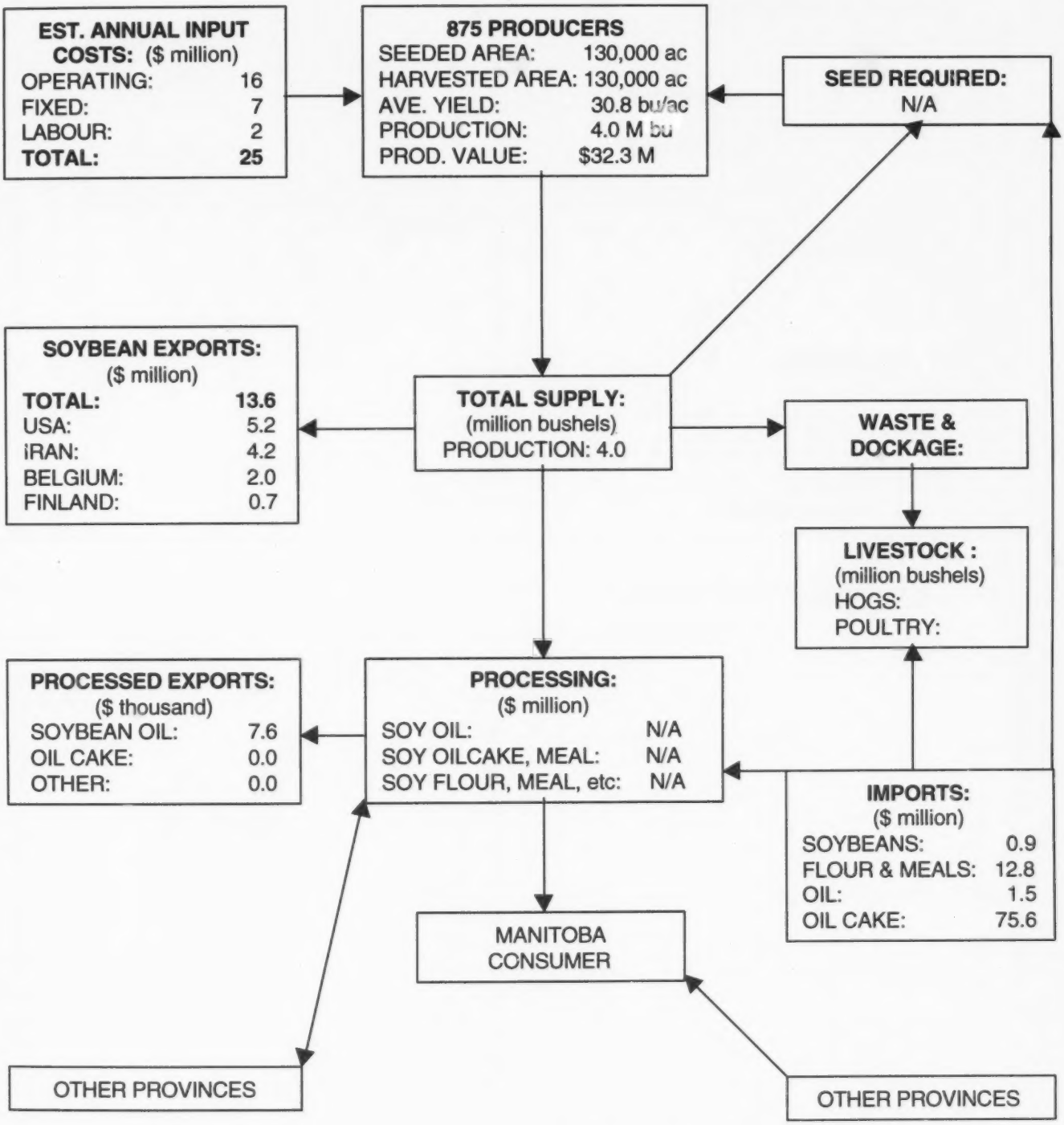
The majority of Manitoba's soybean exports go to the non-GMO crush markets in Europe and Japan, with a smaller amount exported to the non-GMO tofu/miso market. Manitoba exported soybeans, valued at $13.64 million in 2002, to 20 countries, such as the United States, Iran, Finland and Belgium, up from $1.57 million in 1999.

Livestock producers imported $75.56 million of oil-cake and $12.77 million of soybean meal and flour from the United States in 2002. Seed may be imported from the United States for planting purposes or to meet processors needs. In 2002, seed imports totalled $0.92 million. Soybean oil, valued at $1.48 million, was also imported from the U.S. in 2002.

SOYBEAN AND SOYBEAN PRODUCTS SECTOR

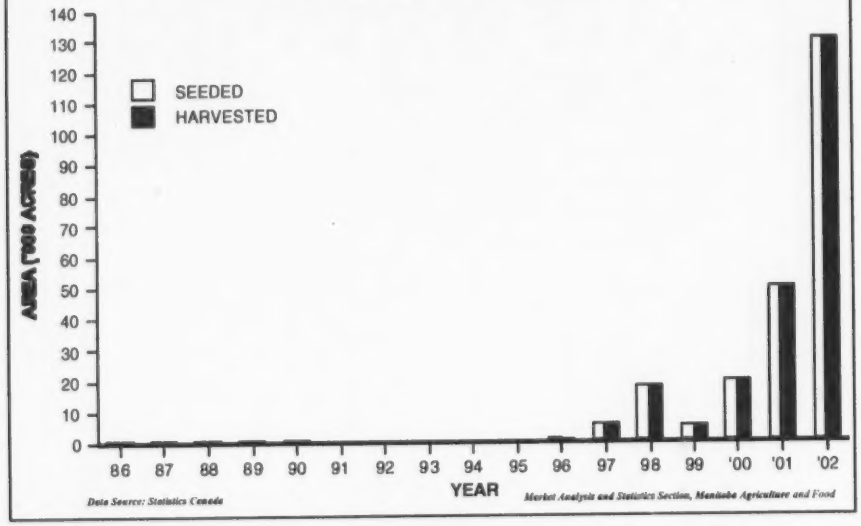
	1999[R]	2000[R]	2001[R]	2002[P]	'02 as a % of '01
Estimated Number of Farms	N/A	N/A	346	875	253
CROP PRODUCTION:					
Seeded Area ('000 acres):	5	20	50	130	260
% of Canada	0.2	0.8	1.9	5.1	
Harvested Area ('000 acres):	5	20	50	130	260
Yield/acre (bushels)	30.5	29.0	27.0	30.8	117
Production ('000 bushels):	150	580	1,350	4,000	296
% of Canada	0.1	0.6	2.2	4.7	
Average Price ($/bushel):	4.70	4.90	6.70	8.10	121
VALUE OF PRODUCTION ($ million):	0.70	2.84	9.02	32.33	358
ESTIMATED TOTAL EXPENSES: ($/acre)	199.91	196.89	201.14	192.33	96
CASH RECEIPTS ($ million):	N/A	N/A	2.0	11.1	555
% of Canada	N/A	N/A	0.4	1.9	
EXPORTS ($ million):	1.57	4.50	2.87	13.64	475
Soybeans	1.57	4.50	2.83	13.64	482
Soybean flour and meal	0	0	0.02	0	0
Soybean oil	0	0	0	0.008	
Soybean oil-cake	0	0.004	0.03	0	0
IMPORTS ($ million):	56.31	70.60	79.17	90.73	115
Soybeans	0.39	0.39	0.52	0.92	179
Soybean flour and meal	7.57	10.61	10.45	12.77	122
Soybean oil	1.38	1.31	1.74	1.48	85
Soybean oil-cake	46.97	58.29	66.46	75.56	114

SOYBEAN INDUSTRY CHART, 2002



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

SEEDED & HARVESTED AREA OF SOYBEANS BY YEAR, 1986- 2002



Data Source: Statistics Canada

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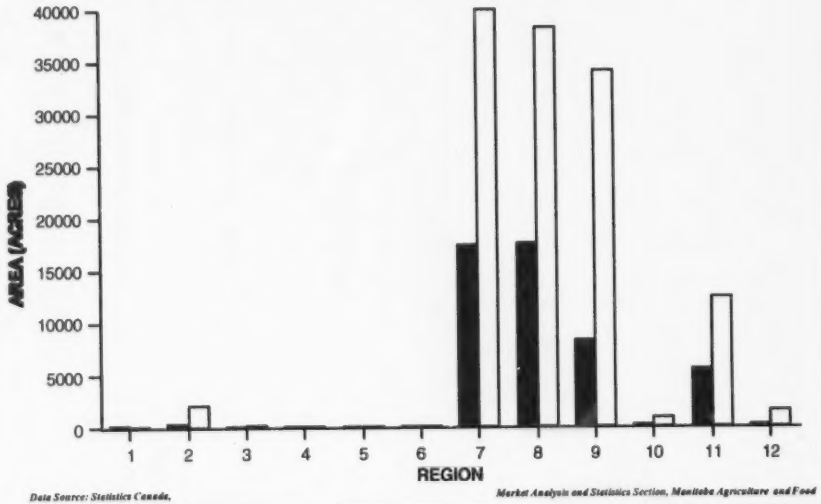
SEEDED AREA OF SOYBEANS BY AGRICULTURAL REGION, 2001-2002

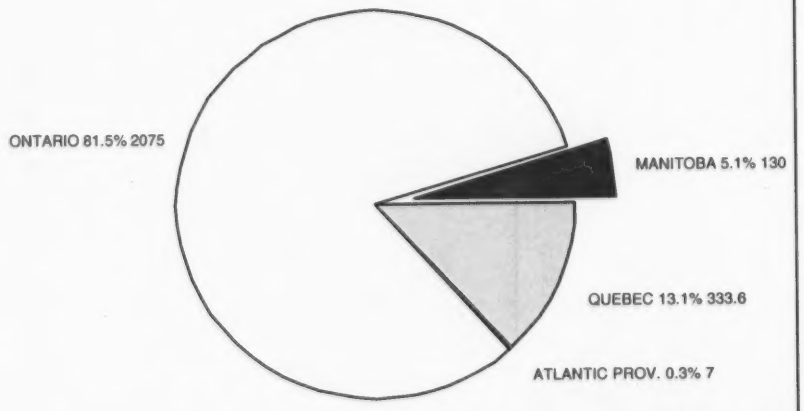


Data Source: Statistics Canada,

Market Analysis and Statistics Section, Manitoba Agriculture and Food

AREA OF SOYBEANS SEEDED BY PROVINCE, 2002

('000 ACRES)



Source: Statistics Canada

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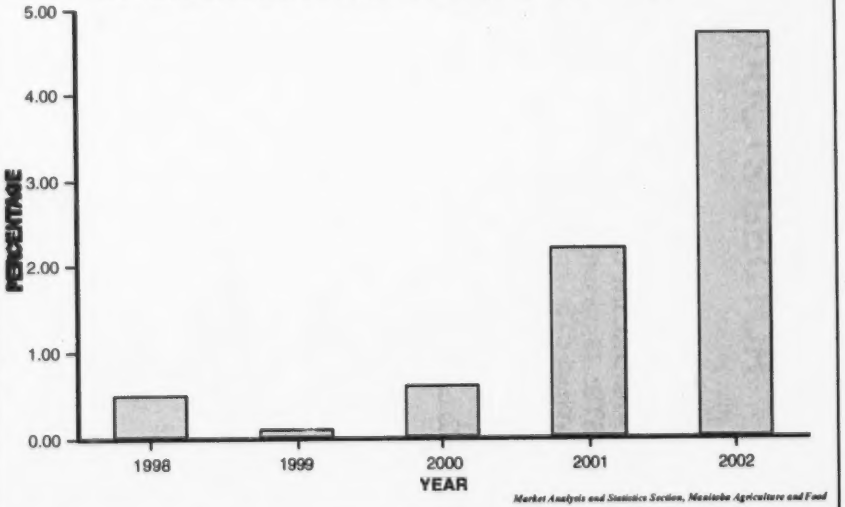
SOYBEAN PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1998- 2002



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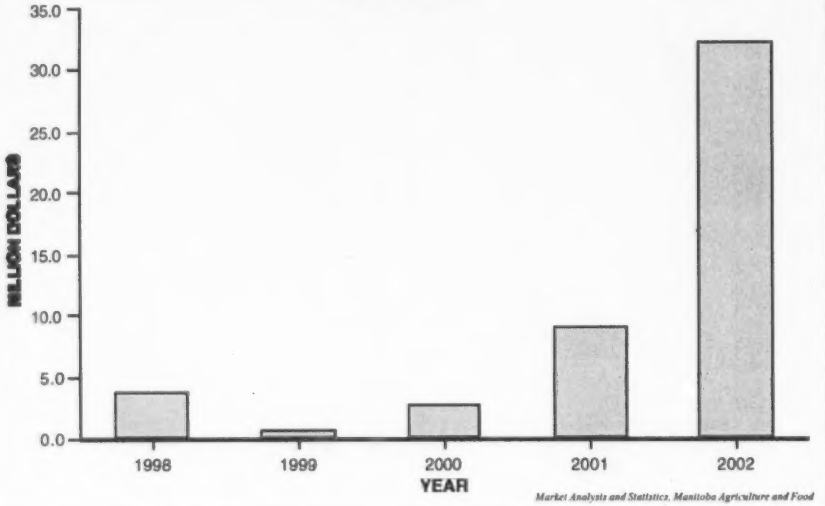
FARM VALUE OF SOYBEAN PRODUCTION
1998- 2002



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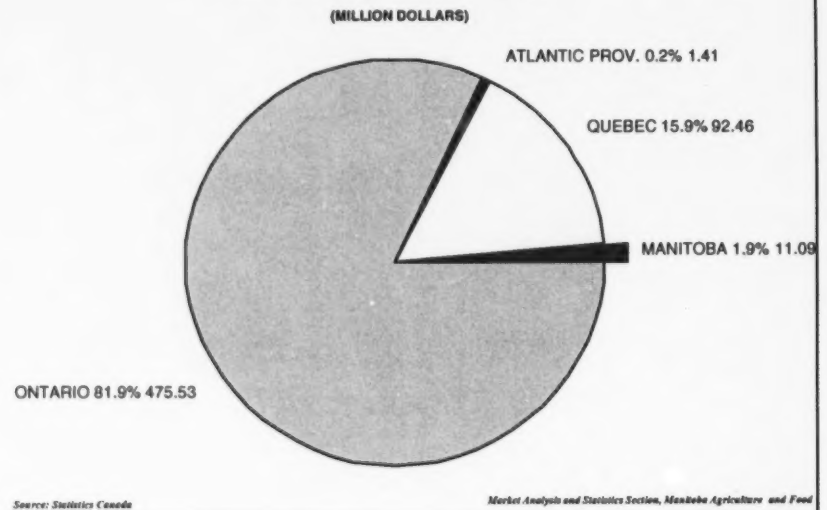
FARM CASH RECEIPTS FROM SOYBEANS
BY PROVINCE, 2002



Source: Statistics Canada

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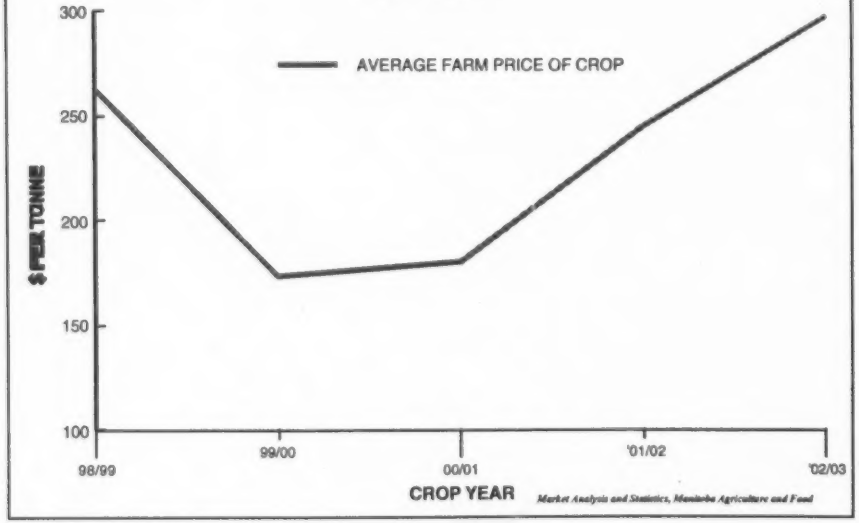
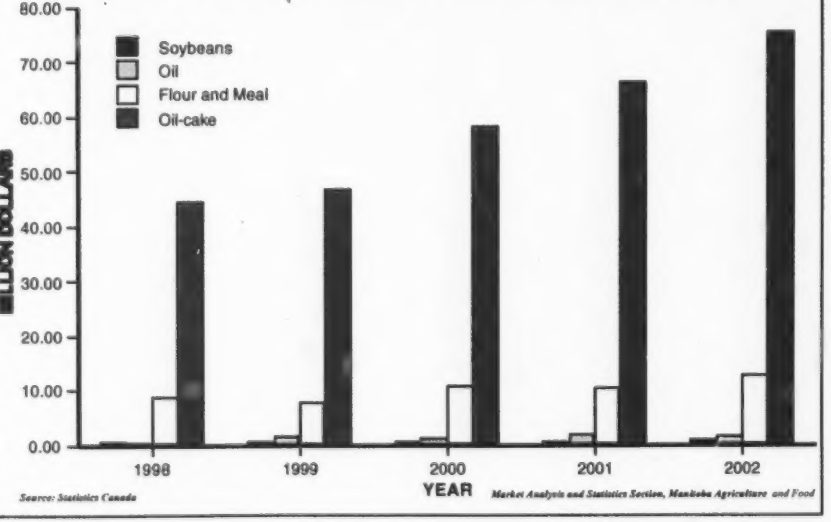
SOYBEAN PRICES
1998- 2002



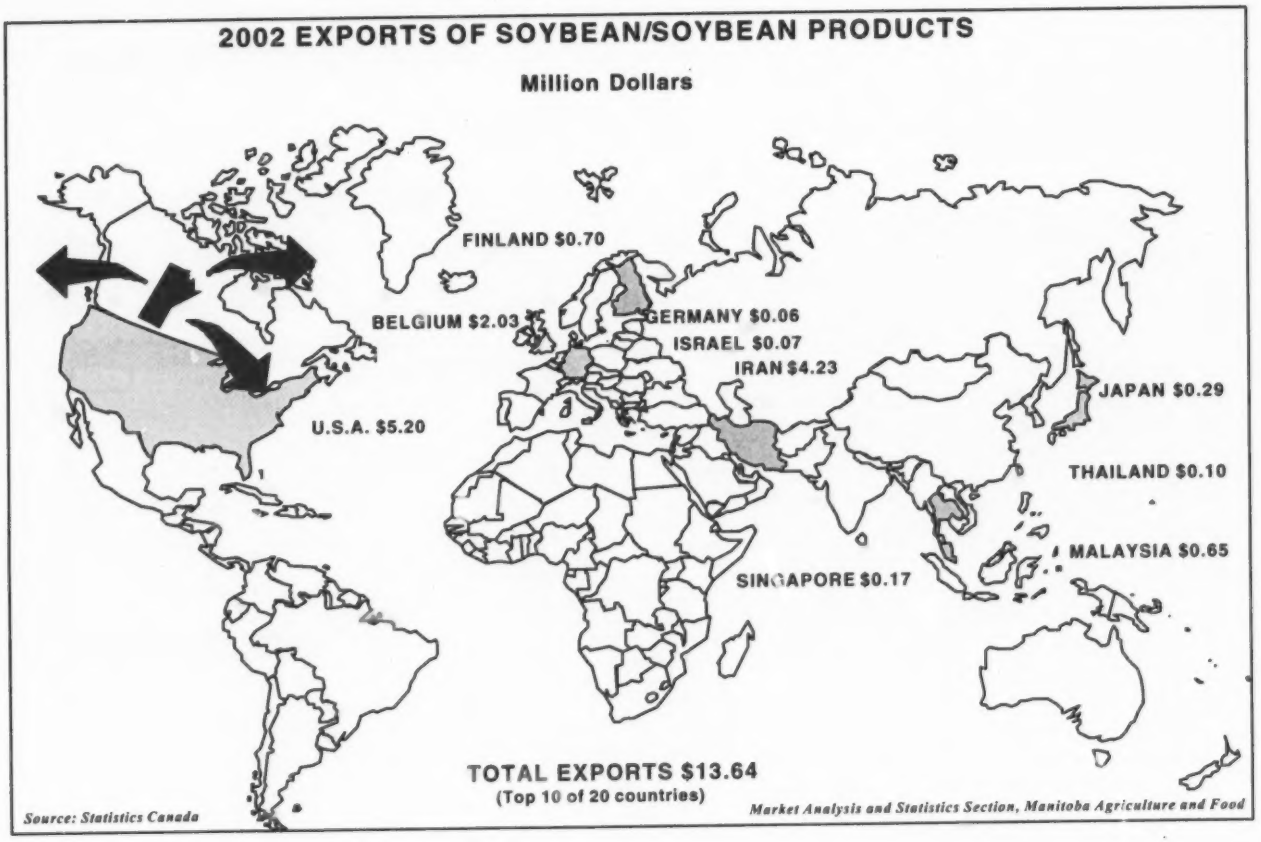
Market Analysis and Statistics, Manitoba Agriculture and Food

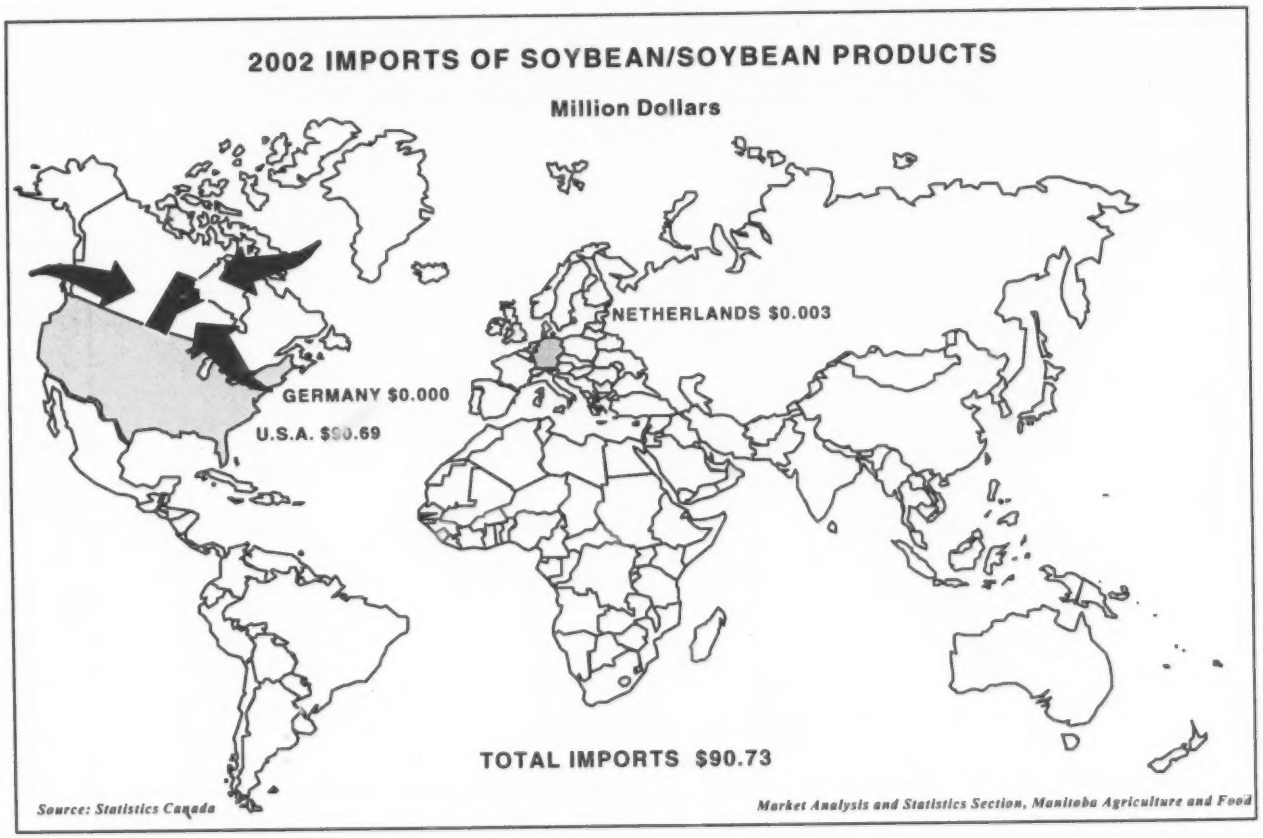
SOYBEANS AND PRODUCTS
IMPORTS FROM OTHER COUNTRIES, 1998-2002



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 EXPORTS OF SOYBEAN/SOYBEAN PRODUCTS
Million Dollars
FINLAND $0.70
BELGIUM $2.03
GERMANY $0.06
ISRAEL $0.07
IRAN $4.23
JAPAN $0.29
U.S.A. $5.20
THAILAND $0.10
MALAYSIA $0.65
SINGAPORE $0.17
TOTAL EXPORTS $13.64
(Top 10 of 20 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2002 IMPORTS OF SOYBEAN/SOYBEAN PRODUCTS
Million Dollars
NETHERLANDS $0.003
GERMANY $0.000
U.S.A. $90.69
TOTAL IMPORTS $90.73
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food